Pages 12063-12101

FEDERAL REGISTER

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Codification Guide

The following numerical guide is a list of the parts of each title of the Code of Federal Regulations affected by documents published in today's issue. A cumulative list of parts affected, covering the current month to date, appears at the end of each issue beginning with the second issue of the month.

A cumulative guide is published separately at the end of each month. The guide lists the parts and sections affected by documents published since January 1, 1964, and specifies how they are affected.

Rules and Regulations

Title 7—AGRICULTURE

Chapter XIV—Commodity Credit Corporation, Department of Agriculture

SUBCHAPTER B—LOANS, PURCHASES, AND OTHER OPERATIONS

PART 1446—PEANUTS

Subpart—1964 Crop Peanut Warehouse Storage Loan Regulations

AUTHORITY: The provisions of this subpart issued under secs. 4 and 5, 62 Stat. 1070, as amended; 15 U.S.C. 714 b and c. Interpret or apply secs. 101, 401, 63 Stat. 1051, as amended, 7 U.S.C. 1441, 1421.

§ 1446.1560 General statement.

This subpart contains regulations which set forth support prices for 1964 crop farmers stock peanuts and the terms and conditions under which eligible producers acting collectively through the following cooperative marketing associations (referred to severally in this subpart as "the association") may obtain price support on their eligible 1964 crop farmers stock peanuts: Southeastern area, GFA Peanut Association, Camilla, Georgia; Southwestern area, Southwestern Peanut Growers Association, Gorman, Texas; Virginia-Carolina area, Peanut Growers Cooperative Marketing Association, Franklin, Virginia. The association will make price support advances on eligible peanuts delivered to it by eligible producers at warehouses operating under contracts with the association. Commodity Credit Corporation will make a loan (referred to in this subpart as a "warehouse storage loan") to the association. Such loan will be secured by the eligible peanuts upon which the association has made advances to eligible producers. Regulations containing the terms and conditions under which Commodity Credit Corporation will make farm storage loans directly to producers on, and will make purchases directly from producers of, 1964 crop farmers stock peanuts will be published separately in the FEDERAL REGISTER. As used in this subpart, "CCC" means Commodity Credit Corporation, and "ASCS" means Agricultural Stabilization and Conservation Service, U.S. Department of Agriculture.

§ 1446.1561 Administration.

(a) *Responsibility.* Under the general direction and supervision of the Executive Vice President, CCC, the Producer Associations Division, ASCS, will administer this subpart.

(b) *Limitation of authority.* County office managers, State and county committees, and the associations do not have authority to modify or waive any of the provisions of this subpart or any amendments or supplements thereto.

(c) *Supervisory authority.* No delegation of authority herein shall preclude the Executive Vice President, CCC, or his designee, from determining any questions arising under the regulations or from reversing or modifying any determination made pursuant to such delegation.

§ 1446.1562 Level of price support.

(a) *Applicability.* The support prices specified in this section apply to 1964 crop farmers stock peanuts in bulk or in bags, net weight basis, eligible for price support advances under the provisions of this subpart.

(b) *National average price.* The national average support price is $224.00 per ton.

(c) *Average support prices by type.* The support prices by type per average grade ton of 1964 crop peanuts are:

Type:	*Dollars per ton*
Virginia	$236.86
Runner	211.24
Southeast Spanish	228.98
Southwest Spanish	219.70
Valencia, suitable for cleaning and roasting	236.86

(d) *Calculation of support prices.* The support price per ton for peanuts of a particular type and grade shall be calculated on the basis of the following rates, premiums, and discounts. No value shall be assigned to damaged kernels.

(1) *Kernel value per net ton excluding loose shelled kernels.* (i) Price for each percent of sound mature and sound split kernels shall be:

Virginia type	$3.220
Runner type	3.102
Southeastern Spanish type	3.209
Southwestern Spanish type	3.148
Valencia type:	
Southwestern area—suitable for cleaning and roasting	3.433
Southwestern area—not suitable for cleaning and roasting	3.148
Areas other than Southwest	3.209

(ii) Price for each percent of other kernels:

All types	$1.40

(iii) Premium for each one percent extra large kernels in Virginia type peanuts shall be 45 cents, except that no premium shall be applicable to any lot of such peanuts containing more than 7 percent damaged kernels.

(2) *Value of loose shelled kernels per pound.*

All types	$0.07

(3) *Damaged kernel discount.* For all types of peanuts, the discount per ton for damaged kernels shall be as follows:

Peanuts containing damaged kernels of:	*Discount*
1 percent	None
2 percent	$3.40
3 percent	7.00
4 percent	11.00
5 percent	17.00
6 percent	23.00
7 percent	32.00
8–9 percent	60.00
10–11 percent	80.00
12–14 percent	100.00
15–18 percent	120.00
19–25 percent	140.00
Over 25 percent	150.00

(4) *Sound split kernel discount.* For all types of peanuts, the discount for sound split kernels shall be as follows:

Peanuts containing sound split kernels of:	*Discount per ton*
0–2 percent	None
3 percent	$0.40
4 percent	.80
5 percent and above: $0.80 plus $0.60 for each percent of sound split kernels in excess of 4 percent.	

(5) *Foreign material discount.* The discount for each full one percent foreign material in excess of 4 percent and not over 10 percent shall be $1.00 per ton.

(e) *Virginia type peanuts.* Virginia type peanuts, to receive peanut price support as Virginia type, must contain 30 percent or more "fancy" size, i.e., peanuts riding a $34/64$ x 3 inch slotted screen. Virginia type peanuts containing less than 30 percent fancy size will be supported as though they were Runner type.

(f) *Florispan peanuts.* Florispan peanuts will be supported at a price equivalent to 65 percent of the support price for Runner type peanuts of the same grade.

(g) *Variety X peanuts.* The support price of an unnamed and undesirable variety of peanuts grown in Virginia from seed stock commercially developed in Windsor, Isle of Wight County, Virginia, and known as Variety X will be discounted 50 percent of the rate for Virginia type peanuts of the same grade, with no premium for extra large kernels.

§ 1446.1563 Availability of warehouse storage loans.

(a) *Loans to associations.* CCC will make warehouse storage loans to the associations specified in § 1446.1560 which agree, by executing agreements with CCC, to arrange for the storing and handling of eligible farmers stock peanuts, make advances to eligible producers on eligible 1964 crop peanuts, and use such peanuts as collateral for loans to be obtained from CCC.

(b) *Areas.* Price support advances will be available in the following areas:

(1) The Southeastern area consisting of the States of Alabama, Georgia, Mississippi, Florida, and that part of South Carolina south and west of the Santee-Congaree-Broad Rivers.

(2) The Southwestern area consisting of the States of Arizona, Arkansas, Cali-

fornia, Louisiana, New Mexico, Oklahoma, and Texas.

(3) The Virginia-Carolina area consisting of the States of Missouri, North Carolina, Tennessee, Virginia, and that part of South Carolina north and east of the Santee-Congaree-Broad Rivers.

(c) *Where available.* Price support advances will be available to eligible producers at warehouses which have contracted with an association, on a form of agreement approved by CCC, to make price support advances to eligible producers on behalf of the association on eligible 1964 crop peanuts delivered to such warehouses. The association's contracts with warehouses will require the warehouses to inform producers that price support advances are available and to make advances to eligible producers on eligible peanuts as provided in paragraph (g) of this section. The names and locations of such warehouses may be obtained from the office of the appropriate association or from ASCS State and County offices. The associations shall pledge all eligible peanuts upon which they have made price support advances to CCC as security for loans obtained pursuant to agreements with CCC.

(d) *Time.* Price support advances to eligible producers will be available from time of harvest through January 31, 1965, or such later date as may be established by the Executive Vice President, CCC. If the final date of availability falls on a nonworkday for the association, the applicable final date shall be extended to include the next workday.

(e) *Inspection.* The type and quality of each lot of farmers stock peanuts delivered to an association for a price support advance shall be determined by a Federal or Federal-State inspector authorized or licensed by the Secretary, U.S. Department of Agriculture, when received at a warehouse under contract with an association. The fee for such determination shall be paid by the association.

(f) *Producer agreement.* To obtain a price support advance, the producer shall, in writing, relinquish any right to redeem or obtain possession of peanuts delivered to the association, and authorize the association to pledge such peanuts to CCC as collateral for a warehouse storage loan.

(g) *Advance to producer.* For each lot of eligible peanuts received, the association will make a price support advance to the producer in an amount equal to the price support value of such peanuts, determined on the basis of the weight, quality and type of such peanuts and the price support schedule provide by CCC, except that, in addition to the deductions specified in § 1446.1564, (1) the association will deduct from such advance and pay over to the proper State authorities, assessments or excise taxes imposed by State law, and (2) the Southwestern Peanut Growers Association will, upon the prior agreement of the producer, deduct from such advance 50 cents per net weight ton of peanuts upon which such advance was made to be used in payment for its peanut activities outside the price support program.

(h) *Fraud of producer.* The making of any fraudulent representation by a producer in the loan documents or in obtaining a loan or advance shall render him subject to criminal prosecution under Federal law. The producer shall be personally liable to CCC, aside from any additional liability under criminal or civil frauds statutes, for the amount of such advance and for all costs which CCC would not have incurred except for the producer's fraudulent representation, together with interest upon such amounts: *Provided,* That the producer shall be given credit for the proceeds received by CCC upon sale of the peanuts upon which such advance was made.

§ 1446.1564 Setoffs.

(a) *Facility and drying equipment loans.* If any installment or installments on any loan made by CCC on farm storage facilities or drying equipment are payable under the provisions of the note evidencing such loan out of any amount due the producer under these regulations, the amount due the producer, after deduction of amounts due prior lienholders, shall be applied to such installment(s).

(b) *Producers listed on county debt record.* If the producer is indebted to CCC or to any other agency of the United States and such indebtedness is listed on the county debt record, amounts due the producer under the regulations in this subpart, after deduction of amounts payable on farm storage facilities or drying equipment and to prior lienholders, shall be applied as provided in the Secretary's Setoff Regulations, 29 F.R. 9425, to such indebtedness.

(c) *Producer's right.* Compliance with the provisions of this section shall not deprive the producer of any right he would otherwise have to contest the justness of the indebtedness involved in the setoff action either by administrative appeal or by legal action.

§ 1446.1565 Eligible peanuts.

(a) *Eligible peanuts.* (1) Peanuts eligible for price support advances shall be 1964 crop farmers stock peanuts:

(i) Which were produced in the continental United States;

(ii) Which contain not more than 10 percent foreign material;

(iii) Which contain not more than 10 percent moisture, and which, if they have been mechanically dried, contain at least 6 percent moisture;

(iv) Which are produced by an eligible producer on a farm on which the 1964 farm peanut acreage does not exceed the effective farm allotment determined in accordance with the marketing quota regulations, or on which the farm peanut acreage exceeds the effective farm allotment (*a*) if the producer establishes to the satisfaction of the County Committee, as provided in paragraph (c) of this section, that he did not knowingly exceed such farm allotment, or (*b*) if a within quota marketing card is issued upon the execution of a Form MQ-92—Peanuts, Agreement by Operator of Overplanted Peanut Farm, by the County Committee and the producer; the County Committee may decline to execute such agreement in any case where it finds reasonable grounds to believe that it will be used as a device to evade the requirements of the price support program or the collection of marketing penalty;

(v) Which were not produced in violation of a restrictive lease on federally owned land, or on land owned by the Federal Government which was occupied by the producer without lease, permit, or other right of possession;

(vi) Which are free and clear of all liens and encumbrances, including landlord lien, or, if liens or encumbrances exist on the peanuts, acceptable waivers are obtained; and

(vii) In which the beneficial interest is in the producer who delivers them to the association and has always been in him or in him and a former producer whom he succeeded before they were harvested. To meet the requirements of succession to a former producer, the rights, responsibilities and interest of the former producer with respect to the farm on which the peanuts were produced shall have been substantially assumed by the person claiming succession. Mere purchase of a crop prior to harvest, without acquisition of any additional interest in the farm on which the peanuts are produced, shall not constitute succession. Any producer in doubt as to whether his interest in the peanuts complies with the requirements of this section should, before applying for price support, make available to the County Committee all pertinent information which will permit a determination with respect to succession to be made by CCC.

(2) In the Southwest area, if peanuts delivered to the Association are bagged, the bags shall be new or thoroughly cleaned used bags which are made of material, other than mesh or net, weighing not less than 7½ ounces nor more than 10 ounces per square yard and containing no sisal fibers, are free from holes and are finished at the top with either the selvage edge of the material, binding or a hem. Such bags shall be of uniform size with approximately 2-bushel capacity.

(b) *Agreement by operator of overplanted peanut farm.* If a producer has executed a Form MQ-92—Peanuts, Agreement by Operator of Over-Planted Peanut Farm, and (1) the farm peanut acreage exceeded the effective farm allotment by not more than the larger of one-tenth acre or two percent of such allotment, payment of the liquidated damages specified in the agreement will not be required if the State Executive Director, or in his absence, the Acting Executive Director, determines that the breach of such agreement was unintentional and occurred despite a bona fide effort by the operator and other producers on the farm to comply with such agreement, or (2) the farm peanut acreage exceeded the effective farm allotment by more than the larger of one-tenth acre or two percent of such allotment, payment of the liquidated damages will not be required if the State Committee makes the determination specified in subparagraph (1) of this paragraph and also determines that the amount by which the farm peanut acreage exceeded the effective farm allotment was so small in relation to such allotment that it did not materially impair CCC's price support operations.

(c) *Determination that producer unknowingly exceeded the effective farm allotment.* A producer on a farm on which the farm peanut acreage exceeds the effective farm allotment shall be deemed not to have knowingly exceeded such allotment if (1) the excess acreage is determined, in accordance with the marketing quota regulations, to be zero, (2) payment of the liquidated damages provided for as the result of a breach of the terms of Form MQ-92—Peanuts is not required under the provisions of paragraph (b) of this section, (3) an erroneous notice of measured acreage was issued to the producer and the farm peanut acreage is deemed to be equal to the effective farm allotment under the provisions of the peanut marketing quota program, or (4) the producer exceeded the effective farm allotment under circumstances which are not provided for under subparagraphs (1), (2), and (3) of this paragraph and the County Committee determines that the producer unknowingly exceeded such allotment.

§ 1446.1566 Eligible producer.

An eligible producer of peanuts shall be an individual, partnership, association, corporation, estate, trust, or other legal entity, and whenever applicable, a State, political subdivision of a State or any agency thereof, producing peanuts as a landowner, landlord, tenant, or sharecropper.

(a) *Estates and trusts.* A receiver of an insolvent debtor's estate, an executor or an administrator of a deceased person's estate, a guardian of an estate or of a ward or incompetent person, and trustees of a trust estate shall be considered to represent the insolvent debtor, the deceased person, the ward or incompetent, and the beneficiaries of a trust, respectively, and the production of the receiver, executor, administrator, guardian or trustee shall be considered to be the production of the person he represents. Loan documents executed by any such person shall be accepted by CCC only if they are legally valid and such person has the authority to sign the applicable documents.

(b) *Eligibility of minors.* A minor who is otherwise an eligible producer shall be eligible for price support only if he meets one of the following requirements: (1) The right of majority has been conferred on him by court proceedings or by statute; (2) the guardian has been appointed to manage his property and the applicable price support documents are signed by the guardian; or (3) a bond is furnished under which a surety guarantees to protect CCC from any loss incurred for which the minor would be liable had he been an adult.

§ 1446.1567 Definitions.

As used herein, and in instructions and documents in connection herewith, the words and phrases defined in this section shall have the meanings herein assigned to them unless the context or subject matter otherwise requires.

(a) *County office.* The office of the ASCS county committee where records for the farm are kept.

(b) *Farm.* A farm as defined in the Farm Reconstitution and Allotment Regulations, as amended (27 F.R. 6482, 7382, 11919; 28 F.R. 1415, 1711, 2227; 29 F.R. 339, 5303, 6317), which in general define a farm as all adjoining or nearby farmland which is operated by one person.

(c) *Effective farm allotment.* The effective farm acreage allotment for 1964 crop peanuts as defined in the marketing quota regulations.

(d) *Farmers stock peanuts.* Picked or threshed peanuts produced in the continental United States, which have not been shelled, crushed, cleaned or otherwise changed (except for removal of foreign material, loose shelled kernels and excess moisture) from the state in which picked or threshed peanuts are customarily marketed by producers.

(e) *Farm peanut acreage.* The 1964 farm peanut acreage determined in accordance with the marketing quota regulations which, in general, define such acreage as the total acreage of peanuts on the farm which is picked or threshed.

(f) *Lot.* That quantity of peanuts for which one inspection memorandum is issued.

(g) *Marketing quota regulations.* The Allotment and Marketing Quota Regulations for peanuts of the 1963 and Subsequent Crops, as amended, issued by the Administrator, ASCS, 27 F.R. 11920; 28 F.R. 11811; 29 F.R. 7801, 7983.

(h) *New weight (farmers stock peanuts).* That weight of farmers stock peanuts obtained by multiplying the gross scale weight by a percentage equal to 100 percent minus the sum of the percentages of (1) foreign material and (2) moisture in excess of 7 percent in the Southwestern and Southeastern areas or 8 percent in the Virginia-Carolina area.

(i) *Type.* The generally known types of peanuts (i.e. Runner, Spanish, Valencia, and Virginia) as defined in the marketing quota regulations.

(j) *Sound mature kernels.* Kernels which are free from damage and minor defects as defined in the U.S. Standards for shelled (1) Spanish type peanuts effective August 31, 1959, in the case of Spanish and Valencia peanuts, (2) Runner type peanuts, effective July 31, 1956, or (3) Virginia type peanuts, effective August 31, 1959; and which will not pass through a screen having:

(i) $\frac{15}{64}$ x $\frac{3}{4}$ inch perforation in the case of Spanish and Valencia peanuts.

(ii) $\frac{15}{64}$ x 1 inch perforations in the case of Virginia peanuts.

(iii) $\frac{16}{64}$ x $\frac{3}{4}$ inch perforations in the case of Runner peanuts.

(k) *Extra large kernels.* Shelled Virginia type peanuts which will not pass through a screen having 21.5/64 x 1 inch openings and which are "whole" and free from "minor defects" and "damage" as such terms are defined in the U.S. Standards for Shelled Virginia Type peanuts effective August 31, 1959.

(l) *Valencia type peanuts suitable for cleaning and roasting.* Valencia peanuts containing less than 25 percent discoloration and damage caused by cracked and broken shells.

(m) *Within quota card.* Form MQ-76 (Peanuts) 1964, 1964 peanut within quota marketing card, issued pursuant to the marketing quota regulations.

Effective date: Upon publication in the FEDERAL REGISTER.

Signed at Washington, D.C., on August 18, 1964.

H. D. GODFREY,
*Executive Vice President,
Commodity Credit Corporation.*

[F.R. Doc. 64-8583; Filed, Aug. 24, 1964; 8:46 a.m.]

SUBCHAPTER C—EXPORT PROGRAMS

[Rev. III; Amdt. 5]

PART 1483—WHEAT AND FLOUR

Subpart—Wheat Export Program—Payment in Kind (GR-345) Terms and Conditions

The Terms and Conditions of the Wheat Export Program—Payment in Kind (GR-345) (27 F.R. 6415), as amended (27 F.R. 10741, 28 F.R. 7120, 29 F.R. 4077 and 9431) are further amended in order to make several needed changes and to correct errors of a minor nature, as follows:

Section 1483.112, paragraph (b) was amended (29 F.R. 9431) by adding a new subparagraph (vii). This is hereby corrected to read (viii).

Section 1483.125, paragraph (b) subparagraph (9) is hereby deleted.

Section 1483.125, paragraph (b) was amended (29 F.R. 9431) by adding a new subparagraph (13). This is hereby corrected to read subparagraph (9).

Section 1483.127, paragraph (b), subparagraph (11) is hereby deleted. Subparagraphs presently numbered (12) through (21) are hereby changed to read (11) through (20).

Section 1483.127, paragraph (b), subparagraph (11) (as re-numbered in the preceding change) is amended by deleting "Bureau of International Programs" and substituting "Bureau of International Commerce".

Section 1483.147, paragraph (h) is amended by deleting "Bureau of International Programs" and substituting "Bureau of International Commerce".

In § 1483.150, paragraph (a) the second sentence is corrected by inserting the word "the" before the word "regulations" and "of this subpart" after the word "regulations."

In § 1483.151, paragraph (h) the third sentence is corrected by deleting the letter "s" on the word "refunds" which precedes the word "rates".

In § 1483.151, paragraph (l), the fifth sentence is corrected by deleting the word "then" and substituting the word "than".

In § 1483.152 paragraph (b), subparagraph (2), the second sentence is corrected by deleting "( )" and substituting "(1)".

The first and second sentences of § 1483.161, paragraph (a) are amended by deleting in each sentence the words

"Vice President" and substituting "Director or his designee".

Section 1483.162, paragraph (h) is amended by deleting "Bureau of Foreign Commerce" and substituting "Bureau of International Commerce".

Section 1483.163, paragraph (c)(2) is amended by deleting "Contracting Officer" and substituting "Director or his designee".

In § 1483.165 the first sentence is amended by deleting the word "occurring" and substituting the word "securing".

Section 1483.178 is amended by deleting the words "Notice of Export" and by adding zip code "20250" after the mailing address shown therein.

Section 1483.180 is amended by adding zip code "60202" after the mailing address of the Evanston ASCS Commodity Office and zip code "64141" after the mailing address of the Kansas City ASCS Commodity Office.

Section 1483.187 is amended by deleting "Bureau of International Programs" and substituting "Bureau of International Commerce".

The Appendix is amended to read as follows:

APPENDIX

NOTICE TO EXPORTERS

The Department of Commerce, Bureau of International Commerce, pursuant to regulations under the Export Control Act of 1949, prohibits the exportation or re-exportation by anyone of any commodities (except absorbent cotton and sterilized gauze and bandages with respect to Cuba only) under this program to Cuba, the Soviet Bloc or Communist-controlled area of the Far East including Communist China, North Korea and the Communist-controlled area of Vietnam, except under validated license issued by the U.S. Department of Commerce, Bureau of International Commerce.

These regulations generally require that exporters, in or in connection with their contracts with foreign purchasers, where the contract involves $10,000 or more and exportation is to be made to a Group R country, obtain from the foreign purchaser a written acknowledgement of his understanding of (1) U.S. Commerce Department prohibitions (Comprehensive Export Schedule, Sections 371.4 and 371.8) against sales or resale for re-export of said commodities, or any part thereof, without express Commerce Department authorization, to the Soviet Bloc, Communist China, North Korea or the Communist-controlled area of Vietnam or to Cuba, and (2) the sanction of denial of future U.S. export privileges that may be imposed for violation of the Commerce Department regulations. Exporters who have a continuing and regular relationship with a foreign purchaser may obtain a blanket acknowledgement from such purchaser covering all transactions involving surplus agricultural commodities and manufactures thereof purchased from CCC or subsidized for export by the Secretary of Agriculture or CCC. Where commodities are to be exported by a party other than the original purchaser of the commodities from the CCC the original purchaser should inform the exporter in writing of the requirements for obtaining the signed acknowledgment from the foreign purchaser.

For all exportations, one of the destination control statements specified in Commerce Department Regulations (Comprehensive Export Schedule § 379.10(c)) is required to be placed on all copies of the shipper's export declaration, all copies of the bill of lading, and all copies of the commercial invoices. For additional information as to which destination control statement to use, the exporter should communicate with the Bureau of International Commerce or one of the field offices of the Department of Commerce. Exporters should consult the applicable Commerce Department regulations for more detailed information if desired and for any changes that may be made therein.

Signed at Washington, D.C., on August 20, 1964.

H. D. GODFREY,
Executive Vice President,
Commodity Credit Corporation.

[F.R. Doc. 64-8603; Filed, Aug. 24, 1964; 8:48 a.m.]

Title 14—AERONAUTICS AND SPACE

Chapter III—Federal Aviation Agency

SUBCHAPTER C—AIRCRAFT REGULATIONS

[Reg. Docket No. 6171; Amdt. 801]

PART 507—AIRWORTHINESS DIRECTIVES

Douglas Model DC-8 Series Aircraft

Amendment 757, 29 F.R. 8474, AD 64-15-3, specifies service life limits for certain flap system components on Douglas Model DC-8 series aircraft. Additional fatigue tests conducted by the manufacturer have proved that links can be reworked and continued in service if no cracks are found, and AD 64-15-3 is being revised accordingly.

Since this amendment is relieving in nature and imposes no additional burden on any person, notice and public procedure hereon are unnecessary and the amendment may be made effective upon publication in the FEDERAL REGISTER.

In consideration of the foregoing, and pursuant to the authority delegated to me by the Administrator (25 F.R. 6489), § 507.10(a) of Part 507 (14 CFR Part 507), is amended as follows:

Amendment 757, 29 F.R. 8474, AD 64-15-3, Douglas Model DC-8 series aircraft, is amended by:

1. Changing the applicability statement to read:

Applies to Model DC-8 series aircraft (except Model DC-8F).

2. Changing paragraphs (a), (b), and (c) to read:

(a) Flap cylinder rod end bearing P/N 4648686-501, Station X_w=97.906 and Station X_f=219.498.

(b) Flap cylinder rod end bearing P/N 4648686-503, Station X_w=97.906 and Station X_f=219.498.

(c) Flap cylinder rod end bolt P/N 2645104, Station X_w=97.906 and Station X_f=219.498 and 339.723.

3. Deleting paragraphs (d), (d)(1), (d)(2), and (d)(3) and adding new paragraphs (d), (d)(1), (d)(2), (d)(3), (d)(4), (d)(5), (e)(1), (e)(2), (e)(3), and (f) to read:

(d) Compensating flap actuating link P/N's 3648269, 3648268, 3648270, Station X_w= 97.906, Station X_f=219.488, Station X_f=339.723, respectively.

(1) Part Numbers 3648268, 3648269, 3648270 with no bushings installed in the 0.9995/1.005 inch-diameter holes, and with more than 11,800 hours' time in service or more than 4,200 landings on the effective date of this amendment, shall be inspected and reworked as specified in (d)(5) within the next 500 hours' time in service, except as provided in (e)(1).

(2) Part Numbers 3648268, 3648269, 3648270 with no bushings installed in the 0.9995/1.005 inch-diameter holes and with 11,800 or less hours' time in service and 4,200 or less landings on the effective date of this amendment and parts installed subsequent to the effective date of this amendment shall be inspected and reworked as specified in (d)(5), prior to the accumulation of 12,300 hours' time in service or 4,400 landings, whichever occurs first, except as provided in (e)(1).

(3) Part Numbers 3648268, 3648269, 3648270 with bushings installed in the 0.9995/1.005 inch-diameter holes and having more than 4,500 hours' time in service or more than 1,600 landings on the effective date of this amendment shall be inspected and reworked as specified in (d)(5) within 500 hours' time in service after the effective date of this amendment.

(4) Part Numbers 3648268, 3648269, 3648270 with bushings installed in the 0.9995/1.005 inch-diameter holes and with 4,500 or less hours' time in service and 1,600 or less landings on the effective date of this amendment shall be inspected and reworked as specified in (d)(5) prior to the accumulation of 5,000 hours' time in service or 1,780 landings, whichever occurs first.

(5) Parts which have not been reworked in accordance with Douglas Service Bulletin No. 27-144, dated June 7, 1963, as of the effective date of this amendment shall be inspected and reworked in accordance with the accomplishment instructions of Douglas Service Bulletin No. 27-144, Reissue No. 1, dated August 3, 1964, or an FAA approved equivalent, within the time limits specified in (d) (1), (2), (3), or (4), as appropriate.

(e) Service life limits for reworked parts are as follows:

(1) Parts which have been reworked in accordance with Douglas Service Bulletin No. 27-144, dated June 7, 1963, as of the effective date of this amendment may be continued in service not to exceed 10,000 landings or an additional 28,000 hours' time in service from the time of rework of the 0.250/0.25A diameter holes, whichever occurs first, and then must be retired from service.

(2) Parts with the bushings installed as noted in (d)(3) and (d)(4) may be continued in service not to exceed an additional 3,570 landings or 10,000 hours' time in service, whichever occurs first, from the time of rework of the 0.250/0.25A diameter holes and then must be retired from service.

(3) Parts without bushings installed during rework of the 0.250/0.25A diameter holes, may be continued in service not to exceed an additional 10,000 landings or 28,000 hours' time in service, whichever occurs first, from the time of rework, and then must be retired from service.

(f) Parts with evidence of cracks remaining after the initial chamfer as specified in Douglas Service Bulletin No. 27-144, Reissue No. 1, dated August 3, 1964, are not eligible for further use.

4. Changing the parenthetical statement to read:

(Douglas Service Bulletins No. 27-127, Revision No. 2 dated January 28, 1964, and No. 27-144 Reissue No. 1 dated August 3, 1964, cover this same subject.)

This amendment shall become effective August 25, 1964.

(Secs. 313(a), 601, 603; 72 Stat. 752, 775, 776; 49 U.S.C. 1354(a), 1421, 1423)

Issued in Washington, D.C., on August 20, 1964.

JAMES F. RUDOLPH,
Acting Director,
Flight Standards Service.

[F.R. Doc. 64-8596; Filed, Aug. 24, 1964; 8:47 a.m.]

Title 21—FOOD AND DRUGS

Chapter I—Food and Drug Administration, Department of Health, Education, and Welfare

SUBCHAPTER C—DRUGS

PART 141c—CHLORTETRACYCLINE (OR TETRACYCLINE) AND CHLORTETRACYCLINE- (OR TETRACYCLINE-) CONTAINING DRUGS; TESTS AND METHODS OF ASSAY

PART 146c—CERTIFICATION OF CHLORTETRACYCLINE (OR TETRACYCLINE) AND CHLORTETRACYCLINE- (OR TETRACYCLINE-) CONTAINING DRUGS

Demethylchlortetracycline Hydrochloride Tablets

Pursuant to the authority provided in the Federal Food, Drug, and Cosmetic Act (sec. 507, 59 Stat. 463, as amended; 21 U.S.C. 357) and delegated to the Commissioner of Food and Drugs by the Secretary of Health, Education, and Welfare (21 CFR 2.90; 29 F.R. 471), the regulations for tests and methods of assay and certification of chlortetracycline (or tetracycline) and chlortetracycline- (or tetracycline-) containing drugs (21 CFR Parts 141c, 146c) are amended by adding thereto the following new sections:

§ 141c.266 Demethylchlortetracycline hydrochloride tablets.

(a) *Potency.* Using a high-speed blender, blend an appropriate number of tablets in 500 milliliters of 0.1*N* hydrochloric acid and proceed as directed in § 141c.251(a). The potency of demethylchlortetracycline hydrochloride tablets is satisfactory if they contain not less than 90 percent of the number of milligrams of demethylchlortetracycline that they are represented to contain.

(b) *Moisture.* Proceed as directed in § 141a.5(a) or § 141a.26(e) of this chapter.

(c) *Disintegration time.* Proceed as directed in § 141a.9(c) of this chapter.

§ 146c.266 Demethylchlortetracycline hydrochloride tablets.

Demethylchlortetracycline hydrochloride tablets are tablets that conform to all requirements and are subject to all procedures prescribed by § 146c.252 for demethylchlortetracycline hydrochloride capsules, except that each tablet shall contain 150 milligrams of demethylchlortetracycline hydrochloride. In addition to the requirements prescribed by § 146c.252, demethylchlortetracycline hydrochloride tablets shall disintegrate within 1 hour. A person who requests certification shall therefore also submit for disintegration time studies, results of this test made by him and a sample of six tablets. The fee for the tablets submitted for disintegration time studies shall be $3.00.

This order provides for tests and methods of assay and certification of demethylchlortetracycline hydrochloride in tablet form, which has been found to be safe and efficacious, conditions pertinent to its certification. Since the basic requirements of section 507 of the Federal Food, Drug, and Cosmetic Act have been complied with and since the interests of the public health will be served by making this new dosage form of demethylchlortetracycline hydrochloride available for use, the requirements for notice and public procedure and delayed effective date are not deemed necessary in this instance.

Effective date. This order shall be effective on the date of its publication in the FEDERAL REGISTER.

(Sec. 507, 59 Stat. 463, as amended; 21 U.S.C. 357)

Dated: August 17, 1964.

GEO. P. LARRICK,
Commissioner of Food and Drugs.

[F.R. Doc. 64-8584; Filed, Aug. 24, 1964; 8:46 a.m.]

Title 24—HOUSING AND HOUSING CREDIT

Chapter II—Federal Housing Administration, Housing and Home Finance Agency

SUBCHAPTER A—GENERAL

PART 200—INTRODUCTION

Subpart D—Delegation of Basic Authority and Functions

MISCELLANEOUS AMENDMENTS

In Part 200 in the Table of Contents new §§ 200.65a, 200.84e, and 200.91 are added as follows:

In § 200.63 paragraph (b) is revoked and paragraph (c) is amended to read as follows:

§ 200.63 Director of the Architectural Standards Division and Deputy.

* * * * *

(b) [Revoked]

(c) To provide technical advice and guidance to all organizational elements of the administration in the fields of architecture and engineering.

In § 200.64 paragraphs (a) and (b) are amended to read as follows:

§ 200.64 Director of the Appraisal and Mortgage Risk Division and Deputy.

* * * * *

(a) To develop and maintain standards, procedures, and techniques for the valuation of property, the estimation of construction cost, determination of acceptability of mortgage credit and land planning, and for the over-all determination of mortgage risk and the acceptability of mortgage risk for insurance.

(b) To provide technical advice and guidance to all organizational elements of the Administration in the fields of valuation, construction cost, mortgage credit, land planning and risk determination.

In § 200.65 paragraph (b) is amended to read as follows:

§ 200.65 Assistant Commissioner for Programs and Deputy.

* * * * *

(b) To be responsible to the Commissioner for the coordination and general supervision of the Program Division, the Research and Statistics Division, and the International Division comprising the functions of coordination of the development and formulation for the approval of the Commissioner of basic programs and related policies and program planning and the appraisal of programs and program objectives, and the maintenance of a program of housing market analyses, housing statistics, advice and counsel on economic problems, conduct of actuarial studies, the provision of a complete actuarial service for all insurance programs, and the underwriting processing of housing investment guaranties for the Agency for International Development, Department of State, in accordance with the delegations made to HHFA by the Agency for International Development.

Part 200 is amended by adding a new § 200.65a as follows:

§ 200.65a Director of the International Division and Deputy.

To the position of Director of the International Division and under his general supervision to the position of Deputy Director of the International Division there is delegated the following basic authority and functions: To be responsible for the direction of the underwriting processing of housing investment guaranties for the Agency for International Development, Department of State, in accordance with the delegations made to HHFA by the Agency for International Development and consistent with general policies agreed to.

In Section 200.68 paragraph (a) is amended to read as follows:

§ 200.68 Assistant Commissioner for Administration and Deputy.

* * * * *

(a) To be responsible for a comprehensive program of administrative management and services comprising all personnel policy, procedures and activities; organizational structures and related matters; all budget activities; administrative staff planning and coordination of agency operations analysis activities; contracting, procurement, supply, printing, space management, library, and other office services; management surveys; forms and records management; coordination and maintenance of the FHA Manual, directives, and other issuances and instructional material; and to be in charge of the Personnel Division, the Budget Division, the General Services Division, and the Management Division.

* * * * * *

In § 200.73 paragraph (b) is revoked as follows:

§ 200.73 Director, Audit and Examination.

* * * * *

(b) [Revoked]

* * * * *

Part 200 is amended by adding a new § 200.84e as follows:

§ 200.84e Director, Compliance Coordination.

To the position of Director, Compliance Coordination, there is delegated the following basic authority and functions:

(a) To determine noncompliance with statutes, including the criminal statutes, rules, regulations, policies, procedures and instructions governing FHA operations and participants in FHA programs except section 2 of Title I of the National Housing Act and to assure that appropriate and timely action is taken with respect to all such determinations of noncompliance and related investigative reports, and to clear, expedite, coordinate and provide liaison with respect to investigation requests to, and investigative reports from the Office of the Administrator, HHFA, except those relating to section 2 of Title I of the National Housing Act.

(b) To maintain continuing liaison, as required, with the HHFA representative on the President's Committee on Equal Opportunity in Housing and the President's Committee on Equal Employment Opportunity.

(c) To assist the Intergroup Relations Service, the Deputy Employment Policy Officers, and the Deputy Contracts Compliance Officers with compliance activities under the Executive Orders for equal opportunity in housing, equal employment opportunity in government and on government contracts and government-assisted contracts.

Part 200 is amended by adding a new § 200.91 as follows:

§ 200.91 Operations Analysis Policy Committee.

(a) *Members.* The Operations Analysis Policy Committee is comprised of the following members: Deputy Commissioner, Chairman; Assistant Commissioner (Executive Officer); Associate Deputy Commissioner for Operations; Associate Deputy Commissioner for Management; Assistant Commissioner for Programs; and Assistant Commissioner for Administration.

(b) *Functions.* The functions of the Operations Analysis Policy Committee are to guide, develop, and coordinate concerted analysis of agency operations, methods, standards, criteria, policies, and operating results and to develop basic improvements and make recommendations for modification in procedure, concept, and, as appropriate, policy.

Section 200.100 is amended to read as follows:

§ 200.100 Closing Clerk.

To the position of Closing Clerk and to each of them there is delegated the duty and function to execute in the name of the Commissioner, as authorized agent, mortgage insurance certificates under any home mortgage program and any other documents requiring the signature of the authorized agent incident to completion of the closing of the mortgage insurance transaction.

(Sec. 2, 48 Stat. 1246, as amended; Sec. 211, 52 Stat. 23, as amended; Sec. 607, 55 Stat. 61, as amended; Sec. 712, 62 Stat. 1281, as amended; Sec. 907, 65 Stat. 301, as amended; Sec. 807, 69 Stat. 651, as amended; 12 U.S.C. 1703, 1715b, 1742, 1747k, 1748f, 1750f)

Issued at Washington, D.C., August 19, 1964.

[SEAL] PHILIP N. BROWNSTEIN,
Federal Housing Commissioner.

[F.R. Doc. 64-8592; Filed, Aug. 24, 1964; 8:47 a.m.]

Title 41—PUBLIC CONTRACTS

Chapter 6—Department of State

[Dept. Reg. 108.510]

MISCELLANEOUS AMENDMENTS TO CHAPTER

By virtue of the authority vested in the Secretary of State by the Act of May 26, 1949 (63 Stat. 111; 5 U.S.C. 151c and 22 U.S.C. 811), as amended, 41 CFR Part 6 is amended by revising §§ 6-1.105, 6-1.302-1, and 6-1.352-2 and by adding new Parts 6-2, 6-5, 6-6, 6-7, and 6-11 as follows:

PART 6-1—GENERAL

§ 6-1.105 Applicability.

(a) The DOSPR and the FPR apply to all procurement of personal property and nonpersonal services (including construction) by the Department of State both within and outside the United States except for those operations which have exemption from the Federal Property and Administrative Services Act of 1949, as amended.

(b) The DOSPR and FPR do not apply to the acquisition or leasing of real property.

(c) The FPR has been edited for use by the Foreign Service and Department of State. Those parts or subparts which are not applicable to procurement outside the United States have been removed from the manuals distributed to the Foreign Service posts. Other portions of the FPR not applicable to procurement outside the United States have been surrounded by black lines. These portions are applicable to procurement within the United States by Foreign Service posts.

§ 6-1.302-1 General.

(a) Use of the Federal Prison Industries as a source of supply is not required in connection with supplies which are both procured and used outside the United States. In addition, pursuant to Federal Prison Industries clearance number C-99360 use of the Federal Prison Industries as a source of supply is not required in connection with supplies which are procured inside the United States by posts for use outside the United States where the aggregate amount involved in a transaction does not exceed $2,500. Use of the other sources of supply referred to in § 1-1.302-1(a) is not required in connection with supplies which are procured either inside or outside the United States for use outside the United States.

(b) Notwithstanding § 6-1.302-1(a), in obtaining supplies or services to be used outside the United States the sources of supply listed in § 1-1.302-1(a) shall be used wherever, in the judgment of the procurement officer, requirements can be met satisfactorily on a timely basis by using such sources and the use of these sources is prudent and otherwise in the national interest.

§ 6-1.352-2 Distribution.

(a) *Post series.* Written contracts numbered in the post series under § 6-1.351(a) shall be distributed as follows:

(1) The signed original together with the original of the SF-1036 (see §§ 6-2.407-7 and 6-3.250) shall be forwarded to the Department under cover of an operations memorandum, Subject: Finance.

(2) One signed copy shall be furnished to the contractor whenever feasible.

(3) One signed copy shall be retained in the contract file.

(b) *FBO series.* Written contracts numbered in the FBO series under § 6-1.351-3(b) shall be distributed as follows:

(1) The signed original and one signed copy together with the original and one copy of the SF-1036 (see §§ 6-2.407-7 and 6-3.250) shall be forwarded to the Department by operations memorandum, Subject: Buildings. The transmittal shall specify the appropriation against which the contract will be paid and shall refer to the Departmental authority, if any, by which the contract was entered into.

(2) One signed copy shall be furnished to the contractor.

(3) One signed copy shall be retained in the contract file.

(c) *Department's Washington series.* Written contracts numbered in the Department's Washington series under § 6-1.351-3(c) shall be distributed as follows:

(1) The signed original together with the original of the SF-1036, if required shall be forwarded to the Department's Office of Finance.

(2) One signed copy shall be furnished to the contractor.

(3) One signed copy shall be retained in the contract file.

(d) Where the law of a foreign country requires that the original of a written contract be retained in the country, a signed copy shall be forwarded to the Department in lieu of the original.

PART 6-2—PROCUREMENT BY FORMAL ADVERTISING

Subpart 6-2.2—Solicitation of Bids

AUTHORITY: The provisions of this Part 6-2 issued under 63 Stat. 111; 5 U.S.C. 151c, 22 U.S.C. 811.

Subpart 6-2.2—Solicitation of Bids

§ 6-2.201 Preparation of invitations for bids.

Forms used in inviting bids for procurement by the Department outside the United States are prescribed in Subpart 6-16.1.

(a) The place selected for the opening of bids shall be, if possible, large enough to permit the attendance of any bidder who desires to be present at the opening.

(19) Section 1-2.201(a)(19) is not applicable to procurement by the Department outside the United States. Walsh-Healey Public Contracts Act (41 U.S.C. 38).

§ 6-2.202 Miscellaneous rules for solicitation of bids.

§ 6-2.202-1 Bidding time.

Any request for a procurement which does not provide for the minimum bidding time required under FPR 1-2.202-1(c) must be justified in writing and approved by the Contracting Officer.

§ 6-2.202-50 Grouping of items in a single invitation for bids.

(a) It is basic Government policy that procurement shall be effected by formal advertising, except as provided in Subpart 1-3.2. Consequently, requirements aggregating more than $2,500 shall not be broken down into several purchases or contracts of less than $2,500 merely for the purpose of utilizing negotiation. See § 1-3.602. In order to minimize the administrative costs to the Government adherent in procurement by formal advertising, and still gain the benefits of formal advertising to the greatest extent possible, each invitation for bids shall include all items suitable for procurement by the procuring activity at the time the invitation is being prepared which are customarily provided by the prospective bidders.

(b) For example, hardware products, spare parts for vehicles, and office supplies would not be listed on a single invitation, unless in a particular circumstance the prospective bidders customarily handled items from all three of these categories. But a wide variety of items in any one of these categories could normally be listed on a single invitation because prospective bidders would normally carry a full line of the products within their specialized field.

§ 6-2.202-51 Grouping of items to facilitate award.

Invitations may provide that awards will be made by items, or by groups of items. Grouping inexpensive items has the following advantages:

(a) By reducing the number of awards which must be made by the Government it eliminates unwarranted administrative expense.

(b) By making larger awards possible, it encourages prospective bidders to bid at prices more favorable to the Government.

§ 6-2.203 Methods of soliciting bids.

§ 6-2.203-1 Mailing or delivering to prospective bidders.

It is highly desirable that envelopes containing the name and address of the issuing activity, and the date, hour, and place of opening of the bids, be enclosed with invitations, and that bidders be requested to use such envelopes for submission of bids.

§ 6-2.203-3 Publicity in newspapers and trade journals.

(a) *Free publicity.*

(b) *Paid advertisements.* Procurement by formal advertising does not require the use of paid advertisements in newspapers and trade journals. It is the policy of the Department that paid advertisements shall not be used as a method of soliciting bids unless particular circumstances make the use of this method clearly in the best interest of the Government. The fact that no free publicity is available as described in paragraph (a) of § 1-2.203-3 does not mean that paid advertisements are appropriate. If paid advertisements are deemed to be clearly in the best interest of the Government, they shall be contracted for in accordance with the following procedures:

(1) Posts shall issue Form FS-455 in advance of publication to purchase advertising space. The following special information and conditions shall be included on the face of Form FS-455, Form FS-455a or the specification sheets attached thereto:

(i) The advertisement to be published.

(ii) A complete description of the advertisement, including type, size, arrangement, space, and publication dates.

(iii) A stipulation that the price charge shall not be higher than the commercial rate charged to private individuals, with the usual discounts.

NOTE: This does not preclude the responsibility of contracting officers to secure lower terms at special rates whenever obtainable.

(iv) A stipulation that (2) marked copies of each issue of the publication containing the advertising shall be submitted with the vendor's invoice. (If not obtainable gratis, the cost of furnishing copies of the publication, as distinct from the cost of the advertisement space, shall be included as a separate item on Form FS-455). On receipt of the vendor's invoice and the two copies of the publication for each date published, there shall be clipped from each copy the name of the publication, the date of publication and the advertisement. Each complete set of the clippings shall be permanently attached to plain sheets of bond paper. One set of clippings for each date of publication shall be attached to the original copy of Form FS-455, and the other set shall be attached to the paying office copy.

§ 6-2.205 Bidders mailing lists.

§ 6-2.205-1 Establishment of lists.

(b) The Industrial Readiness Planning Program is not applicable to procurement by the Department outside the United States. National Security Act of 1947 (50 U.S.C. 404); 32A CFR DMO VII-7.

(c) Standard Form 129 (Bidder's Mailing List Application) is not required to be used by posts.

Subpart 6-2.4—Opening of Bids and Award of Contract

§ 6-2.402 Opening of bids.

After the bids have been opened, and read aloud to the bidders present, an announcement shall be made that the opening of bids has been completed, and that, where feasible, all bidders will be notified as soon as conveniently possible regarding the award.

§ 6-2.404 Rejection of bids.

If all of the bids for any item have been rejected, the contracting officer may readvertise for that item using the same specifications or modified specifications, or may negotiate under the circumstances discussed in §§ 1-3.210 and 1-3.214.

§ 6-2.406 Mistakes in bids.

(a) The Assistant Secretary for Administration is authorized to make the determinations under FPR 1-2.406-3 and 1-2.406-4 which shall be approved by the Legal Advisor's office.

(b) In doubtful cases under FPR 1-2.406-3(e) or where an administrative determination is precluded by the limitations of FPR 1-2.406-4, a request for the decision of the Comptroller General will be submitted by the Division of Supply and Transportation Management through the Legal Advisor's office.

§ 6-2.406-2 Apparent clerical mistakes.

In addition to the example set forth in § 1-2.406-2, an obvious mistake in extension of unit prices shall be considered an apparent clerical mistake.

§ 6-2.407-5 Other factors to be considered.

(e) See § 6-11.301.

§ 6-2.407-7 Statement and certificate of award.

(a) Standard Form 1036 (Statement and Certificate of Award) shall be used in connection with each contract made by formal advertising to evidence compliance with § 1-2.103. An original and at least one copy of Standard Form 1036 shall be prepared. The original Standard Form 1036 shall accompany and be distributed with the original of the contract. One confirmed copy of the Standard Form 1036 shall be retained in the contract file. Item 2(a) of Standard Form 1036 shall be filled in by inserting the number of prospective bidders to whom invitations for bids were distributed. In other respects, Standard Form 1036 shall be prepared as prescribed thereon, and in such details as to contain the information required by § 1-2.407-7(b).

§ 6-2.407-8 **Protests against award.**

(a) While a case involving a protest before award is pending in the office of the Comptroller General, no award may be made under FPR 1-2.407-8(b)(3) without the prior approval of the Chief, Division of Supply and Transportation Management, or, in the case of overseas posts, the Principal Officer of the post. The request for approval will include complete documentation of the determination to make the award.

(b) The Chief, Division of Supply and Transportation Management, (or the Principal Officer) shall notify the Comptroller General of the intent to make the award and request advice as to the status of the case. A copy of such notice shall be given to the Contracting Officer. The Chief, Supply and Transportation Management (or the Principal Officer), shall notify the Contracting Officer of his approval or disapproval of the determination to make award.

(c) When a written protest is lodged with the Contracting Officer after award, the Contracting Officer will furnish the protestor a written explanation of the basis for the award.

PART 6-5—SPECIAL AND DIRECTED SOURCES

Subpart 6-5.50—Special and Directed Sources of Supply

AUTHORITY: The provisions of this Part 6-5 issued under 63 Stat. 111; 5 U.S.C. 151c, 22 U.S.C. 811.

Subpart 6-5—Special and Directed Sources of Supply

§ 6-5.5000 **Scope.**

This Subpart 6-5.50 prescribes certain mandatory and optional sources of supply for overseas posts.

§ 6-5.5001 **Motorized transportation equipment.**

Motorized transportation equipment such as, but not limited to, automobiles, trucks, jeeps, motorcycles, and boats shall not be procured without the prior approval of the Department. Requests for approval along with justification shall be submitted to OPR/ST.

§ 6-5.5002 **Mandatory source items.**

Regional supply center catalogs and Departmental directives specify certain mandatory sources for such items as calendars, office machines, Foreign Service specialty items, high value items, technical and complex equipment, medical supplies and items stocked by GSA regional stores depots.

§ 6-5.5003 **Procurement for other posts.**

Central and constituent supply posts are authorized to procure supplies and services requested by other posts. The requesting post may obtain availability and price information from the procuring post. The procurement request must be obligated and cite the appropriate obligation, appropriation and allotment data. The procuring post shall notify the requesting post of the dollar cost so that any remainder of the obligation may be liquidated.

§ 6-5.5004 **Federal Supply Schedule contracts.**

§ 6-5.5004-1 **General.**

Federal Supply Schedule contracts are indefinite quantity type contracts for numerous types of supplies and services which do not lend themselves to definite quantity consolidated buying or distribution from GSA stores stock. The contractors are obligated, with certain exceptions, to deliver for a definite period stated in the Schedule all supplies and services ordered under the contracts. Most contracts have stated minimum and maximum order limitations and provide for delivery only within the 48 contiguous States and the District of Columbia.

§ 6-5.5004-2 **Applicability.**

Purchasing activities of the Department are required to procure supplies and services covered by Mandatory Federal Supply Schedules except that use of these schedules is not mandatory for overseas posts nor is it required for any procurements inside the United States for use outside the United States. (See § 6-1.302-1.)

§ 6-5.5004-3 **Availability.**

The Federal Supply Schedule Checklist and Guide and needed Federal Supply Schedules and contractors' catalogs and price lists may be obtained by submitting GSA Form 457, Request for Federal Supply Schedules and Contractors' catalogs to General Services Administration, Federal Supply Service, National Buying Division, Washington, D.C.

§ 6-5.5004-4 **Procedure for central supply posts.**

(a) *Procurement period.* Purchases may be made at any time during the period of the contract. Purchase orders must, however, reach the contractor before the expiration date of the contract.

(b) *Prescribed forms.* Foreign Service Form 455 (Purchase Order, Receiving Report and Voucher) and Foreign Service Form 455a (Purchase Order, Receiving Report and Voucher, Continuation Sheet) shall be used to make purchases under Federal Supply Schedules. These forms are illustrated in Subpart 6-16.9.

(c) *Preparation of forms.* The purchase order shall be prepared as prescribed thereon, subject to the following additional instructions:

(1) Disregard the reverse side of the purchase order.

(2) For Contract No. insert the contract number applicable to the contract item and the contractor from whom the purchase will be made. This number will be found in the appropriate Federal Supply Schedule, in the list of contractors, in the first or left column, opposite the name of the contractor from whom the purchase will be made. The number will always have the prefix GS-OOS. The small "o" or "s" appearing directly in front of the number should be disregarded.

(3) The date of the contract is the date shown on the cover of the appropriate Federal Supply Schedule as the beginning of the period of the Schedule.

(4) In the space provided for the place where the supplies are to be furnished, insert the name of the post to which the supplies are to be shipped. This will often be a constituent supply post rather than the procuring central supply post. If the space provided is not adquate, include this information with the words "Ship to;" with the description of the supplies ordered.

(5) Depending on the terms of the contract, insert the following instructions concerning export packing with the description of the supplies ordered:

(i) Where no extra charge is made, insert the words, "To be export packed."

(ii) Where additional charge is made, and the method of computation is shown, insert the words, "To be export packed," fill in the packing cost in the amount column, and fill in the quantity and unit price columns if the computation method permits.

(iii) Where additional charge is made, and the method of computation is shown, insert the words, "To be export packed," and the following instruction—"Export packing charges may be added to invoice, such charges to be itemized to show cost of materials and cost of labor. It is required that the invoice include a statement to the effect that allowance for domestic packing, if any, has been made in the charge for export packing."

(iv) Where the contractor will not export pack, insert the words, "Notify: U.S. Despatch Agent, 45 Broadway, New York 6, New York, when goods are ready for delivery, domestic packed". The U.S. Despatch Agent will arrange for export packing.

(6) On all copies of the purchase order except the 2 copies sent to the contractor, insert the following information with the description of the supplies ordered:

(i) Insert the words "Estimated Ocean Freight $______," and fill in the blank space with the appropriate total based on the applicable freight factors currently in effect.

(ii) Where additional charge is made for export packing, but the method of computation is not shown in the contract, insert the words, "Estimated Export Packing Charges $______," and fill in the blank space with the estimated cost of export packing.

(iii) Insert the words, "Estimated Inland Freight $______," and fill in the blank space with the amount estimated for inland freight, on the basis of the weight or volume of the supplies and the distance between the shipping point shown on the contract and the assumed port of export.

(7) The total amount of funds to be obligated will be the figure found by adding the total cost of the supplies ordered, the estimated or actual export packing charges, the estimated ocean freight costs, and the estimated inland freight costs, if any.

(d) *Distribution.* The purchase order shall be prepared with sufficient copies to permit the following execution and distribution:

(1) Post fiscal office, original (manually signed by ordering and fiscal officers) and 1 copy.

(2) Contractor, 2 copies (both manually signed by ordering officer).

(3) U.S. Despatch Agent, 2 copies (1 copy manually signed by ordering and fiscal officers).

(e) *Attachments.* The clauses set forth below shall be prepared, each as a separate document, and attached to the 2 copies of the purchase order sent to the Contractor. The documents containing the clauses shall be identified by the purchase order number and the rank and address of the ordering post.

(1) *Instruction to vendors.*

INSTRUCTIONS TO VENDORS

Foreign Service Post ______________________
Purchase Order No. ______________________

1. Submission of bills: To assure prompt payment, vendors should render their bills to the ordering posts in the following manner:

(a) Submit an original and two copies of the invoice.

(b) The invoice shall be prepared to conform with the purchase order, showing number and date of order, date of delivery, description of each item, quantity, unit cost and total amount.

(c) The invoice should also bear an invoice number or identification to enable positive and immediate association with the related payment check which will be accompanied by one copy of the invoice.

(d) Show parcel post charges, if any, as a separate item on the invoice, indicating the gross weight and shipping point. (Prepaid freight or express charges must be supported by the original freight or express receipts.)

(e) Show terms or cash discounts on the invoice, even if the terms are net.

(f) Include in invoice: Proper post designation (Embassy, etc.) and address shown on the post's purchase order in space "This Document Prepared at * * *."

(g) Payment for materials and supplies cannot be made in advance.

2. If, by terms of the contract, inland transportation is not the responsibility of vendor and he is unwilling to add such charges to the invoice, he should request of the U.S. Despatch Agent a bill of lading to cover the shipment.

(2) *Shipping instructions.*

SHIPPING INSTRUCTIONS

Foreign Service Post ______________________
Purchase Order No. ______________________

EXPORT PACKING SPECIFICATIONS

Packing box shall be of solid construction in accordance with best commercial practices and sufficiently strong in direct ratio to the weight of the contents to withstand excessively rough handling while in transit overseas. It shall be constructed of lumber that is well seasoned, reasonably sound, free from bad cross-grain and from knots or knotholes that interfere with mailing or that occupy more than ⅓ of the width of the piece of lumber. Box shall be constructed with three-way corners and diagonal bracing. All nails shall be cement-coated, of correct size and properly spaced to avoid splitting or warping, and shall be driven into the grain of the wood. Dimensions of lumber shall be in accordance with the following table, dependent upon the weight of the contents:

Weight of box and contents	*Minimum dimensions of lumber for struts, frame members and single diagonal braces*
Up to 100 lbs	¾" x 2¼"
101 to 250 lbs	⅞" x 2⅞"
251 to 400 lbs	⅞" x 3⅞"
401 to 600 lbs	⅞" x 4⅞" or 1" x 3⅞"

Box shall be lined with waterproof paper and shall be bound with ¾" steel straps firmly stapled in position to prevent slipping off the box. Articles must be secured and braced inside the shipping container to prevent shifting.

Packing cases weighing 1000 pounds and more must be equipped with skids. Each skid shall consist of two end sections of 2 x 6-inch lumber placed flat and a center section of 2 x 4-inch lumber placed flat and then arranged in line to provide 10-inch forklift spaces between center and end sections.

When goods are ready for shipment, prepare four (4) copies of a packing list and notify the U.S. Despatch Agent, 45 Broadway, New York 6, N.Y., by sending him three (3) copies of the packing list indicating case number, itemized list of contents, net and gross weights in pounds and kilograms and outside dimension—including all cleats—of each shipping container.

The fourth copy shall be placed in the packing case number one, and this container shall be marked so that it is easily identified by the consignees. Upon receipt of the packing list the Despatch Agent will furnish export marks and instructions regarding shipment to port specified depending upon steamer services available at the time.

The export marks shall be stenciled on one side of each box reserved for that purpose and the appropriate case number stenciled in the lower left-hand corner, the purchase order number, net and gross weights in pounds and kilos shall be stenciled. (One kilogram equals 2.2046 pounds avoirdupois.) If the size of the box is too small to accommodate all stenciling on one side, the purchase order number and the weights may be stenciled on the side opposite that used for the export marks and case number.

The purchase order number must appear on all containers and papers relating to this order.

(3) *Excise tax exemption statement for vendors.*

EXCISE TAX EXEMPTION STATEMENT FOR VENDORS

Foreign Service Post ______________________
Purchase Order No. ______________________

This is to certify that the item(s) covered by this purchase order is/are for export solely for the use of the American Foreign Service post shown above. It is, therefore, requested that the extra signed copy of the purchase order furnished herewith be accepted as evidence of intent to export. Final proof of exportation may be obtained from the U.S. Despatch Agent, 45 Broadway, New York 6, N.Y., such proof to be accepted in lieu of payment of excise tax.

(f) *Billing.* Invoices should be submitted as follows:

(1) Vendors should submit invoices directly to the ordering post in accordance with the "Instructions to Vendors."

(2) The U.S. Despatch Agent will prepare and submit to the Department, Office of Finance, all vouchers covering expenses incurred by him related to shipments to the ordering post. A liquidating document showing any packing and inland freight charges, and ocean freight charges, will be sent by the Department, Office of Finance, to the post.

(g) *Payment.* Upon receipt of the vendor's invoice and a copy of the purchase order from the U.S. Despatch Agent showing receipt of the supplies by the Government, the post shall prepare a Treasury check in the amount of the invoice payable to the vendor and mail it to the vendor at the address shown on the invoice. Payment of these invoices should be expedited by posts since the prompt payment discount period commences when the supplies are received by the U.S. Despatch Agent for the Government.

PART 6-6—FOREIGN PURCHASES

Subpart 6-6.50—Procurement by Posts Outside the United States

Sec.

AUTHORITY: The provisions of this Part 6-6 issued under 63 Stat. 111; 5 U.S.C. 151c, 22 U.S.C. 811.

Subpart 6-6.50—Procurement by Posts Outside the United States

§ 6-6.500 Scope of subpart.

This subpart prescribes certain specific policies and procedures governing procurement by the Department outside the United States.

§ 6-6.501 Policy.

In support of the United States balance of payments program, it is the policy of the Department that posts shall purchase United States end products unless such a purchase comes within one of the exceptions authorized in § 6-6.503.

§ 6-6.502 Definitions.

§ 6-6.502-1 United States end product.

"United States end product" means an unmanufactured end product which has been mined or produced in the United States, or an end product manufactured in the United States if the cost of its components which are mined, produced or manufactured in the United States exceeds 50 percent of the cost of all its components.

§ 6-6.502-2 End products.

"End products" means articles, materials, and supplies which are acquired by the post for official use.

§ 6-6.502-3 Components.

"Components" means those articles, materials, and supplies which are directly incorporated in end products.

§ 6-6.502-4 Comparable end products.

Comparable end products are those which are equivalent in terms of their capacity to accomplish the function for which they are being procured.

§ 6-6.502-5 Estimated delivered cost.

The estimated delivered cost of United States end products shall include such cost factors as commodity price, packing expense, transportation expense and miscellaneous costs such as port charges, inland transportation, and local drayage.

§ 6-6.503 Application.

United States end products shall be procured for use abroad except whenever:

(a) The estimated cost of United States end products delivered to the post is more than 50 percent greater than the delivered cost to the post of comparable foreign made end products; or

(b) The aggregate amount involved in any one transaction does not exceed $1,000; or

(c) The products may be obtained from or through Government sources including non-appropriated fund activities of the U.S. Government; or

(d) The products consist of fuels, lubricants or repair or replacement parts for foreign-made equipment; or

(e) The products are procured with foreign currencies, owing to or owned by the United States, in countries where United States holdings are in excess of current needs; or

(f) The products are required for the continued effective operation of the post and it is impractical, because of compelling emergency or some other reason in the best interests of the Government, to procure comparable United States end products and such determination is made in writing by the General Services Officer, the Administrative Officer or the Principal Officer of the post.

§ 6-6.504 Procurement for other posts.

When central or constituent supply posts are procuring for another post under § 6-5.5002, the requesting post is responsible for preparing and furnishing to the procuring post the delivered cost estimates required under § 6-6.502-5.

PART 6-7—CONTRACT CLAUSES

Subpart 6-7.1—Fixed-Price Supply Contracts

AUTHORITY: The provisions of this Part 6-7 issued under 63 Stat. 111; 5 U.S.C. 151c, 22 U.S.C. 811.

Subpart 6-7.1—Fixed-Price Supply Contracts

§ 6-7.101 Required clauses.

The clauses in this § 6-7.101 shall be used in lieu of the related clauses in § 1-7.101 in procurement by fixed price contracts outside the United States: *Provided, however,* That any clause in § 6-7.101 or § 1-7.101 need not be used if its use is prohibited by local laws or regulations, is contrary to local custom or practice or would be detrimental to the interests of the Government through increased costs or other reasons. Whenever a clause is not used, the contract file must contain a signed statement justifying such action.

§ 6-7.101-1 Definitions.

DEFINITIONS

As used throughout this contract, the following terms shall have the meanings set forth below:

(a) The term "Government" means the Government of the United States of America.

(b) The term "head of the agency" or "Secretary" as used herein means the Secretary, the Under Secretary, any Assistant Secretary, or any other head or assistant head of the Government department or agency; and the term "his duly authorized representative" means any person or persons or board (other than the Contracting Officer) authorized to act for the head of the agency or the Secretary.

(c) The term "Contracting Officer" means the person executing this contract on behalf of the Government, and any other officer or civilian employee who is a properly designated Contracting Officer; and the term includes, except as otherwise provided in this contract, the authorized representative of a Contracting Officer acting within the limits of his authority.

(d) Except as otherwise provided in this contract, the term "subcontracts" includes purchase orders under this contract.

§ 6-7.101-11 Default.

DEFAULT

(a) The Government may, subject to the provisions of paragraph (c) below, by written notice of default to the Contractor, terminate the whole or any part of this contract in any one of the following circumstances:

(i) If the Contractor fails to make delivery of the supplies or to perform the services within the time specified herein or any extension thereof; or

(ii) If the Contractor fails to perform any of the other provisions of this contract, or so fails to make progress as to endanger performance of this contract in accordance with its terms, and in either of these two circumstances does not cure such failure within a period of 10 days (or such longer period as the Contracting Officer may authorize in writing) after receipt of notice from the Contracting Officer specifying such failure.

(b) In the event the Government terminates this contract in whole or in part as provided in paragraph (a) of this clause, the Government may procure, upon such terms and in such manner as the Contracting Officer may deem appropriate, supplies or services similar to those so terminated, and the Contractor shall be liable to the Government for any excess costs for such similar supplies or services: *Provided,* That the Contractor shall continue the performance of this contract to the extent not terminated under the provisions of this clause.

(c) Except with respect to defaults of subcontractors, the Contractor shall not be liable for any excess costs if the failure to perform the contract arises out of causes beyond the control of both the Contractor and subcontractor, and without the fault or negligence of either of them, the Contractor shall not be liable for any excess costs for failure to perform, unless the supplies or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit the Contractor to meet the required delivery schedule.

(d) If this contract is terminated as provided in paragraph (a) of this clause, the Government, in addition to any other rights provided in this clause, may require the Contractor to transfer title and deliver to the Government, in the manner and to the extent directed by the Contracting Officer, (i) any completed supplies, and (ii) such partially completed supplies and materials, parts, tools, dies, jigs, fixtures, plans, drawings, information, and contract rights (hereinafter called "manufacturing materials") as the Contractor has specifically produced or specifically acquired for the performance of such part of this contract as has been terminated; and the Contractor shall, upon direction of the Contracting Officer, protect and preserve property in possession of the Contractor in which the Government has an interest. Payment for completed supplies delivered to and accepted by the Government shall be at the contract price. Payment for manufacturing materials delivered to and accepted by the Government and for the protection and preservation of property shall be in an amount agreed upon by the Contractor and Contracting Officer; failure to agree to such amount shall be a dispute concerning a question of fact within the meaning of the clause of this contract entitled "Disputes."

(e) If, after notice of termination of this contract under the provisions of paragraph (a) of this clause it is determined that the failure to perform this contract is due to causes beyond the control and without the fault or negligence of the Contractor or subcontractor pursuant to the provisions of paragraph (c) of this clause, such notice of default shall be deemed to have been issued pursuant to the clause of this contract entitled "Termination for Convenience of the Government," and the rights and obligations of the parties hereto shall in such event be governed by such clause. (Except as otherwise provided in this contract, this paragraph (e) applies only if this contract contains such clause.)

(f) The rights and remedies of the Government provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under this contract.

§ 6-7.101-12 Disputes.

(a) The disputes clause in § 1-7.101-12 will be incorporated in all contracts and grant agreements awarded and performed within the United States, or awarded to U.S. Nationals but performed outside of the United States, or performed outside of the United States by persons or business entities which have a place of business within the United States. Appeals resulting from disputes under this clause will be handled in accordance with Part 6-60.

(b) Contracts other than those cited in § 6-7.101-12(a) will incorporate the following disputes clause:

DISPUTES

(a) Except as otherwise provided in this contract, any dispute arising under this contract which is not disposed of by agreement shall be decided by the Contracting Officer, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Contractor. The decision of the Contracting Officer shall be final and conclusive unless within 30 days from the date of receipt of such copy, the Contractor mails or otherwise furnishes to the Contracting Officer a written appeal addressed to the Assistant Secretary of State for Administration. The decision of the Assistant Secretary shall be final and conclusive. Pending final decision of a dispute hereunder, the Contractor shall proceed diligently with the performance of the contract and in accordance with the Contracting Officer's decision.

(b) Within 30 days after receipt of a notice of appeal received under the disputes clause in 6-7.101-12(b), the Contracting Officer will submit the notice of appeal and the contract file, including the documents specified in 6-60.303-2, to the Assistant Secretary for Administration, attention L/A, for decision.

§ 6-7.101-14 Buy American Act.

The clause set forth in § 1-7.101-14 shall not be used in procurement by the Department outside the United States. Buy American Act (41 U.S.C. 10b).

§ 6-7.101-18 Nondiscrimination in employment.

The clause set forth in § 1-7.101-18 shall not be used in procurement by the Department where the contract is to be performed outside the United States and where no recruitment of workers within the limits of the United States is involved.

§ 6-7.101-19 Officials not to benefit.

The clause set forth in § 1-7.101-19 shall not be used in procurement by the Department in foreign countries. Act of August 1, 1956 (5 U.S.C. 170n).

§ 6-7.101-22 Federal, State, and local taxes.

Except as may be otherwise provided in this contract, the contract price includes all taxes and duties in effect and applicable to this contract on the tax inclusive date, except taxes from which the Government, the Contractor, or the transactions or property covered by this contract are then exempt. Unless specifically excluded, duties are included in the contract price.

§ 6-7.101-28 Termination for convenience of the Government.

TERMINATION FOR THE CONVENIENCE OF THE GOVERNMENT

The Government shall have the right to terminate this contract at any time by giving written notice to the Contractor not less than 10 days prior to the effective date of termination. Should this contract be terminated pursuant to this clause prior to the date it would otherwise expire, the following shall apply:

(a) The Government shall complete all payments which shall then be due.

(b) The Contractor shall deliver to the Government all work in process under this contract requested by the Government.

(c) The Government shall pay to the Contractor any sum which is determined by the Contracting Officer as equitable for any work in process, which sum shall include any costs incurred by the Contractor in terminating any subcontract.

(d) Should the Contractor be unwilling to accept the sum so determined by the Contracting Officer the matter shall be treated as a dispute concerning a question of fact within the meaning of the clause entitled "Disputes" in the General Provisions.

§ 6-7.150 Additional required clauses.

The clauses in this § 6-7.150 shall be used in procurement by fixed price contracts outside the United States provided, however that any clause in § 6-7.150 need not be used if its use is prohibited by local laws or regulations, is contrary to local customs or practice or would be detrimental to the interests of the Government through increased costs or other reasons. Whenever a clause is not used, the contract file must contain a signed statement justifying such action.

§ 6-7.150-1 Government saved harmless.

GOVERNMENT SAVED HARMLESS

The Contractor shall hold and save the Government, its officers, agents and employees, harmless from liability of any nature or kind, including costs and expenses, for or on account of any or all suits or damages of any character whatsoever resulting from injuries or damages sustained by any person or persons or property by virtue of performance of this contract.

§ 6-7.150-2 Prohibition against items originating in certain areas.

No supplies, equipment or services originating in China Mainland (including Singkiang, Manchuria and Tibet), North Viet-Nam, North Korea or Cuba may be used in the performance of this contract.

The contractor agrees to insert the aforegiven provision of this clause in all subcontracts hereunder.

§ 6-7.151 Optional clauses.

The clauses set forth in this § 6-7.151 may be used when applicable to specific procurements, and may be modified when required.

§ 6-7.151-1 Security requirements.

PERSONNEL

The contractor agrees, if requested, to furnish the Government with the name, date and place of birth, current address, and such other biographical information as is readily available to the Contractor, concerning any individual before permitting such individual to be used in the performance of this contract. The Contractor further agees to permit only those individuals approved by the Government to be used in the performance of this contract.

§ 6-7.151-2 Notice.

NOTICE

Any order, notice, or request, relating to this contract given by either party to the other shall be in writing, and mailed, or delivered by hand, to the party entitled thereto at the address set forth herein.

§ 6-7.151-3 Notice of shipments.

NOTICE OF SHIPMENTS

At the time of delivery of any shipment of supplies to a carrier for transportation, the Contractor shall give prepaid notice of shipment to the consignee establishment, and to such other persons designated by the Contracting Officer, and in accordance with his instructions. If such instructions have not been received by the Contractor at least 24 hours prior to such delivery to a carrier, the Contractor shall request instructions from the Contracting Officer concerning the notice of shipment to be given.

§ 6-7.151-4 Gratuities.

GRATUITIES

(a) The Government may, by written notice to the Contractor, terminate the right of the Contractor, to proceed under this contract if it is found, after notice and hearing, by the Secretary or his duly authorized representative, that gratuities (in the form of entertainment, gifts, or otherwise) were offered or given by the Contractor, or any agent or representative of the Contractor, to any officer or employee of the Government with a view toward securing a contract or securing favorable treatment with respect to the awarding, amending, or the making of any determinations with respect to this contract.

(b) In the event that this contract is terminated as provided in paragraph (a) above, the Government shall have the same rights and remedies provided in the clause entitled "Default" in the General Provisions with respect to defaults of the Contractor, and any other rights and remedies provided by law or under this contract.

§ 6-7.151-5 Language version.

LANGUAGE VERSION

The English language version of this contract shall be the official version and binding on both parties.

§ 6-7.151-6 Compliance with laws.

COMPLIANCE WITH LAWS

The Contractor shall comply with all applicable laws and all rules and regulations having the force of law which deal with or relate to performance hereunder, or the employment by the Contractor of the employees necessary for such performance.

§ 6-7.151-7 Seller's invoices.

The following clause is applicable only to negotiated contracts.

SELLER'S INVOICES

Invoices shall be prepared and submitted in quadruplicate unless otherwise specified. Invoices shall contain the following information: Contract and order number (if any), item numbers, description of supplies or services, sizes, quantities, unit prices, and extended totals. Bill of lading number and weight of shipment will be shown for shipments made on Government bills of lading.

§ 6-7.151-8 Discounts.

The following clause is applicable only to negotiated contracts.

DISCOUNTS

In connection with any discount provided for, time will be computed from date of delivery of the supplies to carrier when delivery and acceptance are at point or origin or from date of delivery at destination or port of embarkation when delivery and acceptance are at either of those points, or from date correct invoice or voucher is received in the office specified by the Government if the latter date is later than the date of delivery. Payment is deemed to be made, for the purpose of earning the discount, on the date of mailing of the Government check.

§ 6–7.151–9 Requirements clause.

The following clause is applicable only to requirements contracts prepared in accordance with § 1–3.405–5(b).

REQUIREMENTS CLAUSE

(a) The Government agrees to purchase all of its requirements of (specific property or services) for use at (designated activities) during the period from ---------- to ---------- from the Contractor. The Government shall not, however, be obligated to make any purchases in excess of its actual requirements.

(b) The Contractor agrees to furnish up to (maximum delivery obligation) of (specific property or services) while this contract remains in effect. The Contractor shall not, however, be obligated to deliver in excess of (quantity) during any (time) period, nor less than (quantity) in any delivery.

(c) Subject to paragraph (b) above, and upon the placing of orders by the Government at least ------ days before the date of requested delivery, the Contractor agrees to make deliveries under this contract at any of the following designated point(s):

(d) The Government shall use a purchase order (Foreign Service Form 455) in making purchases against this contract.

§ 6–7.151–10 Indefinite quantity clause.

The following clause is applicable only to indefinite quantity contracts prepared in accordance with § 1–3.405–5(c).

INDEFINITE QUANTITY CLAUSE

(a) The Contractor agrees to furnish up to (max. delivery obligation) of (specific property or services) during the period from ---------- to ---------- to the Government. The Contractor shall not, however, be obligated to deliver in excess of (quantity) during any (time) period, nor less than (quantity) in any delivery.

(b) Subject to paragraph (a) above, and upon the placing of orders by the Government at least ------ day(s) before the date of requested delivery, the Contractor agrees to make deliveries under this contract at any of the following designated points:

(c) The Government agrees to purchase a minimum of (minimum order obligation) of (specific property or services) while this contract is in effect.

(d) The Government shall use a purchase order (Foreign Service Form 455) in placing orders against this contract up to the Government's minimum purchase obligation, and in making purchases against this contract over the Government's minimum purchase obligation.

§ 6–7.151–11 Contracting officer's representative.

The following clause may be used in designating an authorized representative of the contracting officer (such a designee may not make any commitments or changes which will affect the price, quality, quantity or delivery terms):

REPRESENTATIVES OF CONTRACTING OFFICER

The Contracting Officer reserves the right to designate representatives to act for him in furnishing technical guidance and advice or, generally supervise the work to be performed under this contract. Such designation will be in writing and will define the scope and limitations of the designee's authority. A copy of the designation shall be furnished to the contractor.

§ 6–7.151–12 Labor, supplies and equipment.

LABOR, SUPPLIES AND EQUIPMENT

The Contractor shall furnish all labor, supplies, and equipment necessary for the performance of this contract. Necessary storage space for supplies and equipment will be furnished by the Government.

§ 6–7.151–13 Government property.

GOVERNMENT PROPERTY

Damage to, or loss of, Government property when it is due to the Contractor's negligence may result in the Contractor being held liable for repair or replacement thereof at the option of the Government.

PART 6–11—FEDERAL, STATE, AND LOCAL TAXES

Subpart 6–11.2—Exemptions From Federal Excise Taxes

Sec.
6–11.205 Exemptions from other Federal taxes.

Subpart 6–11.3—State and Local Taxes

6–11.301 Applicability.

AUTHORITY: The provisions of this Part 6–11 issued under 63 Stat. 111; 5 U.S.C. 151c, 22 U.S.C. 811.

Subpart 6–11.3—State and Local Taxes

§ 6–11.301 Applicability.

In certain instances purchases by posts are exempt from various taxes in foreign countries. It is incumbent upon procurement officers to ascertain such exemptions and to take maximum advantage of them.

Subpart 6–11.2—Exemptions From Federal Excise Taxes

§ 6–11.205 Exemptions from other Federal taxes.

(a) With respect to motor vehicles purchased by the Department of State or the United States Information Agency for use by such agencies in foreign countries, the Secretary of the Treasury has granted an exemption from the federal excise tax imposed by 26 U.S.C. 4061(a) provided such vehicles are exported from the United States by such agencies within a period of six months from the date of delivery of such vehicles to the agencies, notwithstanding any use made by such agencies of the vehicles within the United States during the six-month period. The contract for sale of such vehicles must include a statement to the effect that the sale of the vehicles is made for the exclusive use of the United States and qualifies for the exemption under order of the Secretary of the Treasury dated May 6, 1964 (29 F.R. 6254). The manufacturers must be furnished proof of export within six months after the sale.

(b) Taxable articles purchased for presentation abroad as gifts to foreign dignitaries and taxable articles purchased for presentation as gifts to foreign dignitaries visiting in the United States but which are almost immediately taken out of the United States may be exempt from any retailers or manufacturers excise taxes in accordance with letter of October 18, 1963 from Chief, Excise Tax Branch, Internal Revenue Service on file in Division of Supply and Transportation Management.

For the Secretary of State.

W. T. M. BEALE,
Acting Assistant Secretary for Administration.

AUGUST 6, 1964.

[F.R. Doc. 64–8545; Filed, Aug. 24, 1964; 8:47 a.m.]

Title 46—SHIPPING

Chapter IV—Federal Maritime Commission

SUBCHAPTER B—REGULATIONS AFFECTING MARITIME CARRIERS AND RELATED ACTIVITIES

[General Order 4; Amdt. 6; Docket No. 1186]

PART 510—LICENSING OF INDEPENDENT OCEAN FREIGHT FORWARDERS

Requirements for Licensing

On June 9, 1964, the Federal Maritime Commission published a notice of proposed rule making in the FEDERAL REGISTER (29 F.R. 7429) setting forth a proposed amendment of paragraph (b) of § 510.5, of Title 46 CFR, to specify the circumstances under which the required $100 independent ocean freight forwarder license application fee may be refunded.

Only two comments were received in response to the notice, and both were favorable to the proposed rule. The Commission is therefore adopting the rule as published in its proposed form.

Therefore, pursuant to the authority of section 4 of the Administrative Procedure Act (5 U.S.C. § 1003) and sections 43 and 44 of the Shipping Act, 1916 (46 U.S.C. 841(a) and 841(b)), paragraph (b) of § 510.5 of Title 46 CFR is hereby amended to read as follows:

§ 510.5 Requirements for licensing.

* * * * *

(b) A person desiring to engage in carrying on the business of forwarding shall submit to the Secretary, Federal Maritime Commission, Washington, D.C., 20573, an application in triplicate, executed on Form FMC–18, hereby prescribed for this purpose. Such application shall be accompanied by an application fee of $100.00 by money order, certified or cashier's check, made payable to the Federal Maritime Commission. The application fee shall be returned only when application for return is made within one year of denial of the license or one year from the date of adoption of the rule, whichever is later, and when on the face of the application the applicant fails to meet the requirements of section 44, Shipping Act, 1916, or the regulations promulgated thereunder. In no event shall the application fee be returned where a field investigation of applicant's qualifications has been conducted, or an application has been denied on the basis of a hearing pursuant to § 510.8(a). Applications denied prior to hearing, without prejudice, may be refiled on the basis of changed facts within one year of the denial or one year from the date of adoption of this rule, whichever is later, without additional fee.

* * * * *

Effective date. This amendment shall become effective 30 days after date of publication of this notice in the FEDERAL REGISTER.

By order of the Commission.

[SEAL] THOMAS LISI,
Secretary.

[F.R. Doc. 64-8595; Filed, Aug. 24, 1964; 8:47 a.m.]

Title 49—TRANSPORTATION

Chapter I—Interstate Commerce Commission

SUBCHAPTER A—GENERAL RULES AND REGULATIONS

PART 123—FREIGHT COMMODITY STATISTICS

SUBCHAPTER B—CARRIERS BY MOTOR VEHICLES

PART 206—FREIGHT COMMODITY STATISTICS

Commodity Statistics Reporting

At a general session of the Interstate Commerce Commission, held at its office in Washington, D.C., on the 10th day of August A.D. 1964.

Ex Parte No. 205, Motor Carrier Freight Commodity Statistics; No. 34206, Commodity Classification for Reporting Purposes; No. 34315, Commodity Statistics Reporting—Extent and Disclosure.

Investigation of the matters and things involved in the above-entitled proceedings having been made, so far as they relate to the disclosure of freight commodity statistics reports of individual carriers, and the Commission, on the date hereof, having made and filed a report containing its findings of fact and conclusions thereon, which report is hereby referred to and made a part hereof:

It is ordered, That the following changes in or additions to outstanding orders of the Commission shall be made:

1. Section 123.6 is modified and amended to read as follows:

§ 123.6 Public inspection—railroad reports.

The individual commodity statistics reports of class I and II railroads, required to be filed, for the quarter or year beginning January 1, 1964, as the case might be, and later, under the terms of § 123.1 of the order of September 13, 1963, in No. 34206, Commodity Classification for Reporting Purposes, 49 C.F.R. 123.1, to the extent that they involve traffic of less than three shippers, reportable in one of the commodity reporting classes, may be excluded from a railroad's regular freight commodity statistics report and filed in a supplemental report which will not be open for public inspection, except that access to supplemental reports may be given upon approval by the Commission.

(Sec. 12, 24 Stat. 383, as amended; 49 U.S.C. 12. Interpret or apply sec. 20, 24, Stat. 386, as amended; 49 U.S.C. 20)

2. Part 123 is modified and amended by adding thereto the following section, numbered § 123.28:

§ 123.28 Public inspection—water carrier reports.

The individual commodity statistics reports of water carriers required to be filed, for the year beginning January 1, 1964, and later, under the terms of § 123.21 of the order of September 13, 1963, in No. 34206, Commodity Classification for Reporting Purposes, 49 CFR 123.21, to the extent that they involve traffic of less than three shippers, reportable in one of the commodity reporting classes, may be excluded from a water carrier's regular freight commodity statistics report and filed in a supplemental report which will not be open for inspection, except that access to supplemental reports may be given upon approval by the Commission.

(Sec. 12, 24 Stat. 383, as amended, 49 U.S.C. 12, and sec. 304, 54 Stat. 933, 49 U.S.C. 904. Interpret or apply sec. 20, 24 Stat. 386, as amended, 49 U.S.C. 20, and sec. 313, 54 Stat. 944, as amended, 49 U.S.C. 913).

3. Part 123 is modified and amended by adding thereto the following section, numbered § 123.44:

§ 123.44 Public inspection, electric railway reports.

The individual commodity statistics reports of electric railways, required to be filed, for the year beginning January 1, 1964 and later, under the terms of § 123.35 of the order of September 13, 1963, in Commodity Classification for Reporting Purposes, 49 CFR 123.35, to the extent that they involve the traffic of less than three shippers, reportable in one of the commodity reporting classes, may be excluded from an electric railway's regular freight commodity statistics report and filed in a supplemental report which will not be open to public inspection, except that access to supplemental reports may be given upon approval by the Commission.

(Sec. 12, 24 Stat. 383, as amended, 49 U.S.C. 12. Interpret or apply sec. 20, 24 Stat. 386, as amended, 49 U.S.C. 20)

4. Section 206.7 is modified and amended to read as follows:

§ 206.7 Public disclosure—motor carrier reports.

The individual commodity statistics reports of motor carriers required to be filed for the year beginning January 1, 1964, and later, under the terms of § 206.1 of the order of September 13, 1963 in No. 34206, Commodity Classification for Reporting Purposes, and Ex Parte No. 205 Motor Carrier Freight Commodity Statistics, to the extent that they involve the traffic of less than three shippers, reportable in one of the commodity reporting classes, may be excluded from a motor carriers' regular freight commodity statistics report and filed in a supplemental report which will not be open for public inspection, except that access to supplemental reports may be given upon approval by the Commission.

(Sec. 204, 49 Stat. 546, as amended; 49 U.S.C. 304. Interpret or apply Sec. 220, 49 Stat. 563, as amended; 49 U.S.C. 320)

And it is further ordered, That a copy of this order shall be served upon each railroad, electric railway, water carrier, maritime carrier, and motor carrier subject to the commodity statistics reporting requirements of 49 CFR 123, 206, or 301, as the case might be, and that notice shall be given to the general public by posting a copy in the Office of the Secretary of the Commission in Washington, D.C., and by filing a copy with the Director, Office of the Federal Register.

By the Commission.

[SEAL] HAROLD D. McCOY,
Secretary.

[F.R. Doc. 64-8586; Filed, Aug. 24, 1964; 8:48 a.m.]

Proposed Rule Making

DEPARTMENT OF THE TREASURY

Internal Revenue Service

[26 CFR Part 1]

INCOME TAXES

Treatment of Options Acquired in Connection With Loans

Notice is hereby given, pursuant to the Administrative Procedure Act, approved June 11, 1946, that the regulations set forth in tentative form below are proposed to be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury or his delegate. Prior to the final adoption of such regulations, consideration will be given to any comments or suggestions pertaining thereto which are submitted in writing, in duplicate, to the Commissioner of Internal Revenue, Attention: CC: LR, Washington, D.C., 20224, within the period of 30 days from the date of publication of this notice in the FEDERAL REGISTER. Any person submitting written comments or suggestions who desires an opportunity to comment orally at a public hearing on these proposed regulations should submit his request, in writing, to the Commissioner within the 30-day period. In such case, a public hearing will be held, and notice of the time, place, and date will be published in a subsequent issue of the FEDERAL REGISTER. The proposed regulations are to be issued under the authority contained in section 7805 of the Internal Revenue Code of 1954 (68A Stat. 917; 26 U.S.C. 7805).

[SEAL] BERTRAND M. HARDING,
Acting Commissioner of Internal Revenue.

In order to provide rules for the treatment of options acquired in connection with loans, the Income Tax Regulations (26 CFR Part 1) under sections 61 and 1232 of the Internal Revenue Code of 1954, relating to gross income defined, and bonds and other evidences of indebtedness, respectively, are amended as follows:

PARAGRAPH 1. Paragraph (b) of § 1.61–15 is amended to read as follows:

§ 1.61–15 Options received as payment of income.

* * * * *

(b) *Options to which paragraph (a) does not apply.* (1) Paragraph (a) of this section does not apply to:

(i) An option which is subject to the rules contained in section 421; and

(ii) An option which is not granted as the payment of an amount constituting compensation, such as an option which is acquired solely as an investment, or as part of an investment unit described in paragraph (b) of § 1.1232–3. For rules relating to the taxation of options described in subdivision (ii) of this subparagraph, see section 1234 and the regulations thereunder.

(2) If a person acquires an option which is not subject to the rules contained in section 421, and if such option has a readily ascertainable fair market value, such person may establish that such option is not subject to the rules contained in paragraph (a) of this section by showing that the amount of money or its equivalent paid for the option equalled the readily ascertainable fair market value of the option. If a person acquires an option which is not subject to the rules contained in section 421, and if such option does not have a readily ascertainable fair market value, then to establish that such option was not acquired as payment of an amount constituting compensation, or to establish that such option was acquired in connection with an obligation as part of an investment unit described in paragraph (b) of § 1.1232–3, such person must show that, from an examination of all the surrounding circumstances, there was no reason for the option to have been granted as the payment of an amount constituting compensation. For example, such person must show that he had neither rendered nor was obligated to render substantial services in consideration for the granting of the option or the issuance of the investment unit of which the option forms a part. See paragraph (c) of § 1.421–6 for the meaning of the term "readily ascertainable fair market value".

* * * * *

PAR. 2. Section 1.1232–3 is amended by revising paragraphs (b) (1) and (2), and (d) thereof. These revised provisions read as follows:

§ 1.1232–3 Gain upon sale or exchange of obligations issued at a discount after December 31, 1954.

* * * * *

(b) *Definitions*—(1) *Original issue discount.* For purposes of section 1232, the term "original issue discount" means the difference between the issue price and the stated redemption price at maturity. The stated redemption price is determined without regard to optional call dates. If the original issue discount is less than one-fourth of one percent of the stated redemption price at maturity, multiplied by the number of full years from the date of original issue to maturity, then the discount shall be considered to be zero. For example, a 10-year bond with a stated redemption price at maturity of $100 issued at $98 would be regarded as having an original issue discount of zero. Thus, any gain realized by the holder would be a long-term capital gain if the bond was a capital asset in the hands of the holder and held by him for more than six months. However, if the bond were issued at $97.50 or less, the original issue discount would not be considered zero. The term "stated redemption price at maturity" means the amount fixed by the last modification of the purchase agreement, including dividends payable at that time. Thus, in the case of face-amount certificates, the redemption price at maturity is the price as modified through changes such as extensions of the purchase agreement and includes any dividends which are payable at maturity. In the case of an obligation issued as part of an investment unit consisting of an option and a bond, debenture, note, or certificate or other evidence of indebtedness, the term "stated redemption price at maturity" means the amount payable on maturity in respect of the obligation, and does not include any amount payable in respect of the option under a repurchase agreement or option to buy or sell the option.

(2) *Issue price defined*—(i) *In general.* The term "issue price" in the case of obligations registered with the Securities and Exchange Commission means the initial offering price to the public at which price a substantial amount of such obligations were sold. For this purpose, the term "the public" does not include bond houses and brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers. Ordinarily, the issue price will be the the first price at which the obligations were sold to the public, and the issue price will not change if, due to market developments, part of the issue must be sold at a different price. When obligations are privately placed, the issue price of each obligation is the price paid by the first buyer of the particular obligation, irrespective of the issue price of the remainder of the issue. In the case of an obligation which is convertible into stock or another obligation, the issue price includes any amount paid in respect of the conversion privilege. However, in the case of an obligation issued as part of an investment unit consisting of an option and a bond, debenture, note, or certificate or other evidence of indebtedness, the issue price of the obligation includes only that portion of the initial offering price or price paid by the first buyer properly allocable to the obligation under the rules prescribed in subdivision (ii) of this subparagraph. The terms "initial offering price" and "price paid by the first buyer" include the aggregate payments made by the purchaser under the purchase agreement, including modifications thereof. Thus, all amounts paid by the purchaser under the purchase agreement or a modification of it are included in the issue price (but in the case of an obligation issued as part of an investment unit, only to the extent allocable to such obligation under subdivision (ii) of this subparagraph), such as amounts paid upon face-amount certificates or installment trust certificates in which the purchaser contracts to make a series of payments which will be returnable with an increment at a later date.

(ii) *Obligations with options attached*—(*a*) *In general.* For purposes of this subparagraph, the initial offering price of an investment unit consisting of an obligation and an option shall be allocated to the individual elements of the unit on the basis of their respective fair market values. However, if the fair market value of the option is not readily ascertainable (within the meaning of paragraph (c) of § 1.421–6), then the portion of the initial offering price or price paid by the first buyer of the unit which is allocable to the obligation issued as part of such unit shall be ascertained as of the time of acquisition of such unit by reference to the assumed price at which such obligation would have been issued had it been issued apart from such unit. The assumed price of the obligation shall be ascertained by comparison to the yields at which obligations of a similar character which are not issued as part of an investment unit are sold in arm's length transactions, and by adjusting the price of the obligation in question to this yield. This adjustment may be made by the use of standard bond tables. In selecting obligations for comparative purposes, obligations of the same grade and classification shall be used to the extent possible, and proper regard shall be given, with respect to both the obligation in question and the comparative obligation, to the solvency of the issuer, the nature of the issuer's trade or business, the presence and nature of security for the obligation, the geographic area in which the loan is made, and all other factors relevant in the circumstances. An obligation which is convertible into stock or another obligation must not be used as a comparative obligation, since such an obligation would not reflect the yield attributable solely to the obligation element of the investment unit.

(*b*) *Cross references.* For rules relating to certain reporting requirements with respect to options acquired in connection with evidences of indebtedness and for the tax treatment of such options, see § 1.61–15, and section 1234 and the regulations thereunder. For rules relating to the deductibility by the issuing corporation of discount attributable to the allocation required by (*a*) of this subdivision, see paragraph (c) (3) of § 1.61–12, and section 163 and the regulations thereunder. With respect to the tax consequences to the issuing corporation upon the exercise of options issued in connection with evidences of indebtedness to which this section applies, see section 1032 and the regulations thereunder.

(c) *Examples.* The application of the principles set forth in (*a*) of this subdivision may be illustrated by the following examples:

Example (*1*). M Corporation is a small manufacturer of electronic components located in the southwestern United States. In consideration for the payment of $31,500, M issues to T its unsecured note for $30,000 together with warrants to purchase 3,000 shares of M stock at $10 per share at any time during the term of the note. The note is payable in 8 years and provides for interest at the rate of 6 percent per year compounded semi-annually. Assume that companies in the same industry as M Corporation, and similarly situated both financially and geographically, are able to borrow money on their unsecured notes at an annual interest cost of 8 percent. A standard bond table shows that the issue price of a 6-percent, 8-year, $1,000 note discounted to yield 8 percent is $883.50. Accordingly, the assumed price at which M's note would have been issued had it been issued without stock purchase warrants, i.e., that portion of the $31,500 price paid by T which is allocable to M's note, is $26,505 ($883.50×30). Since the price payable on redemption of M's note at maturity is $30,000, the original issue discount on M's note is $3,495 ($30,000 minus $26,505). The excess of the price paid for the unit over the portion of such price allocable to the note, $4,995 ($31,500 minus $26,505), is allocable to the stock purchase warrants acquired by T in connection with M's note. M is entitled to a deduction equal to the discount on the note. Upon the exercise of T's warrants, M will be allowed no deduction and will have no income.

Example (*2*). N Corporation is a small advertising company located in the northeastern United States. In consideration for the payment of $60,000, N issues to L its unsecured 5-year note for $60,000, together with warrants to purchase 6,000 shares of N stock at $10 per share at any time during the term of the note. The note is subject to quarterly amortization at the rate of $3,000 per quarter, and provides for interest on the outstanding unpaid balance at an annual rate of 6 percent (1½ percent per quarter). Assume that companies in the same industry as N Corporation, and similarly situated both financially and geographically, are able to borrow money on their unsecured notes at an annual interest cost of 8½ percent (2⅛ percent per quarter). By reference to a table showing the present value of an annuity of $1 per period, and through the use of an appropriate formula for discounting the anticipated interest payments, it is found that the present value of N's note discounted to yield 8½ percent is $56,608. This amount is the assumed price at which the note would have been issued had it been issued without stock purchase warrants. Since the maturity value of N's note is $60,000, the original issue discount on N's note is $3,392 ($60,000 minus $56,608). The excess of the price paid for the unit over the portion of such price allocable to the note $3,392 ($60,000 minus $56,608), is allocable to the stock purchase warrants acquired by L in connection with N's note. N is entitled to a deduction equal to the discount on the note. N will be allowed no deduction and will have no income upon the exercise of the warrants by L.

* * * * *

(d) *Exceptions to the general rule.* Section 1232(a)(2)(B) provides that section 1232(a)(2)(A) does not apply (1) to obligations the interest on which is excluded from gross income under section 103 (relating to certain government obligations), or (2) to any holder who purchased an obligation at a premium. For purposes of section 1232 and this section, "premium" means a purchase price which exceeds the stated redemption price of an obligation at its maturity. For purposes of the preceding sentence, if an obligation is acquired as part of an investment unit consisting of an option and a bond, debenture, note, certificate or other evidence of indebtedness, the purchase price of the obligation is that portion of the price paid or payable for the unit which is allocable to the obligation. The price paid for the unit shall be allocated to the individual elements of the unit on the basis of their respective fair market values. However, if the fair market value of the option is not readily ascertainable (within the meaning of paragraph (c) of § 1.421–6), then the price paid for the unit shall be allocated on the basis of the values assigned to the elements of the unit under paragraph (b)(2)(ii) of this section. If, under chapter 1 of the Code, the basis of an obligation in the hands of the holder is the same, in whole or in part, for the purposes of determining gain or loss from a sale or exchange, as the basis of the obligation in the hands of another person who purchased the obligation at a premium, then the holder shall be considered to have purchased the obligation at a premium. Thus, the donee of an obligation purchased at a premium by the donor will be considered a holder who purchased the obligation at a premium.

* * * * *

[F.R. Doc. 64–8598; Filed, Aug. 24, 1964; 8:48 a.m.]

[26 CFR Part 1]

INCOME TAXES

Current Tax Payments by Corporations

Notice is hereby given, pursuant to the Administrative Procedure Act, approved June 11, 1946, that the regulations set forth in tentative form below are proposed to be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury or his delegate. Prior to the final adoption of such regulations, consideration will be given to any comments or suggestions pertaining thereto which are submitted in writing, in duplicate, to the Commissioner of Internal Revenue, Attention: CC:LR, Washington, D.C., 20224, within the period of 30 days from the date of publication of this notice in the FEDERAL REGISTER. Any person submitting written comments or suggestions who desires an opportunity to comment orally at a public hearing on these proposed regulations should submit his request, in writing, to the Commissioner within the 30-day period. In such case, a public hearing will be held, and notice of the time, place, and date will be published in a subsequent issue of the FEDERAL REGISTER. The proposed regulations are to be issued under the authority contained in section 7805 of the Internal Revenue Code of 1954 (68A Stat. 917; 26 U.S.C. 7805).

[SEAL] BERTRAND M. HARDING,
Acting Commissioner of Internal Revenue.

In order to conform the Income Tax Regulations (26 CFR Part 1) under sections 6016, 6074, 6154, and 6655 of the Internal Revenue Code of 1954 to section 122 of the Revenue Act of 1964 (78 Stat. 25), such regulations are amended as follows:

PARAGRAPH 1. Section 1.6016 is amended by revising subsection (f) of section 6016 and by adding a historical note. The amended and added provisions read as follows:

§ 1.6016 Statutory provisions; declarations of estimated income tax by corporations.

SEC. 6016. *Declarations of estimated income tax by corporations.* * * *

(f) *Cross reference.* For provisions relating to the number of amendments which may be filed, see section 6074(b).

[Sec. 6016 as amended by sec. 122(d), Rev. Act 1964 (78 Stat. 29)]

PAR. 2. Section 1.6016-1 is amended to read as follows:

§ 1.6016-1 Declarations of estimated income tax by corporations.

(a) *Requirement.* For taxable years ending on or after December 31, 1955, a declaration of estimated tax shall be made by every corporation (including unincorporated business enterprises electing to be taxed as domestic corporations under section 1361), which is subject to taxation under section 11 or 1201(a), or subchapter L, chapter 1 of the Code (relating to insurance companies), if its income tax under such sections or such subchapter L for the taxable year can reasonably be expected to exceed the sum of $100,000 plus the amount of any estimated credits allowable under section 32 (relating to tax withheld at source on nonresident aliens and foreign corporations and on tax-free covenant bonds), section 33 (relating to taxes of foreign countries and possessions of the United States), and section 38 (relating to investment in certain depreciable property).

(b) *Definition of estimated tax.* The term "estimated tax", in the case of a corporation, means the excess of the amount which such corporation estimates as its income tax liability for the taxable year under section 11 or 1201(a), or subchapter L, chapter 1 of the Code, over the sum of $100,000 and any estimated credits under sections 32, 33, and 38. However, for the rule with respect to the limitation upon the $100,000 exemption for members of certain electing affiliated groups, see section 243(b)(3)(C)(v) and the regulations thereunder.

(c) *Examples.* The application of this section may be illustrated by the following examples:

Example (1). M, a corporation subject to tax under section 11, reasonably anticipates that it will have taxable income of $224,000 for the calendar year 1964. The normal tax and surtax result in an expected liability of $105,000. M determines that it will not have any allowable credits under sections 32, 33, and 38 for 1964. Since M's expected tax ($105,000) exceeds the exemption ($100,000), a declaration of estimated tax is required to be filed, reporting an estimated tax of $5,000 ($105,000-100,000) for the calendar year 1964.

Example (2). Under the facts stated in example (1), except that M estimates it will have an allowable foreign tax credit under section 33 in the amount of $4,000 and an allowable investment credit under section 38 in the amount of $3,000, no declaration is required, since M's expected tax ($105,000) does not exceed the $100,000 plus the allowable credits totaling $7,000.

PAR. 3. Section 1.6016-3 is amended to read as follows:

§ 1.6016-3 Amendment of declaration.

In the making of a declaration of estimated tax the corporation is required to take into account the then existing facts and circumstances as well as those reasonably to be anticipated relating to prospective gross income, allowable deductions, and estimated credits for the taxable year. Amended or revised declarations may be made in any case in which the corporation estimates that its gross income, deductions, or credits will materially change the estimated tax reported in the previous declaration. However, for the rule with respect to the number of amended declarations which may be filed for taxable years beginning after December 31, 1963, see paragraph (d)(2) of § 1.6074-1. Such amended declaration may be made on either Form 1120-ES (marked "Amended") or on the reverse side of the installment notice furnished the corporation by the district director. See, however, paragraph (b) of § 1.6016-2 for procedure to be followed if the prescribed form is not available.

PAR. 4. Paragraph (a) of § 1.6016-4 is amended to read as follows:

§ 1.6016-4 Short taxable year.

(a) *Requirement of declaration.* No declaration may be made for a period of more than 12 months. For purposes of this section a taxable year of 52 or 53 weeks, in the case of a corporation which computes its taxable income in accordance with the election permitted by section 441(f), shall be deemed a period of 12 months. For special rules affecting the time for filing declarations and paying estimated tax by such corporation, see paragraph (b) of § 1.441-2. A separate declaration is required where a corporation is required to submit an income tax return for a period of less than 12 months, but only if such short period ends on or after December 31, 1955. However, no declaration is required if the short taxable year—

(1) Begins on or before December 31, 1963, and is—

(i) A period of less than 9 months, or

(ii) A period of 9 or more months but less than 12 months and the requirements of section 6016(a) are not met before the 1st day of the last month in the short taxable year, or

(2) Begins after December 31, 1963, and is—

(i) A period of less than 4 months, or

(ii) A period of 4 or more months but less than 12 months and the requirements of section 6016(a) are not met before the 1st day of the last month in the short taxable year.

PAR. 5. Section 1.6074 is amended by revising section 6074 and by adding a historical note. These amended and added provisions read as follows:

§ 1.6074 Statutory provisions; time for filing declarations of estimated income tax by corporations.

SEC. 6074. *Time for filing declarations of estimated income tax by corporations*—(a) *General rule.* The declaration of estimated tax required of corporations by section 6016 shall be filed as follows:

If the requirements of section 6016 are first met.	The declaration shall be filed on or before—
Before the 1st day of the 4th month of the taxable year.	The 15th day of the 4th month of the taxable year.
After the last day of the 3d month and before the 1st day of the 6th month of the taxable year.	The 15th day of the 6th month of the taxable year.
After the last day of the 5th month and before the 1st day of the 9th month of the taxable year.	The 15th day of the 9th month of the taxable year.
After the last day of the 8th month and before the 1st day of the 12th month of the taxable year.	The 15th day of the 12th month of the taxable year.

(b) *Amendment.* An amendment of a declaration may be filed in any interval between installment dates prescribed for the taxable year, but only one amendment may be filed in each such interval.

(c) *Short taxable year.* The application of this section to taxable years of less than 12 months shall be in accordance with regulations prescribed by the Secretary or his delegate.

[Sec. 6074 as amended by sec. 122(b), Rev. Act 1964 (78 Stat. 27)]

PAR. 6. Section 1.6074-1 is amended to read as follows:

§ 1.6074-1 Time and place for filing declaration of estimated income tax by corporations.

(a) *Taxable years beginning on or before December 31, 1963.* For taxable years ending on or after December 31, 1955, and beginning on or before December 31, 1963, declarations of estimated tax for the taxable year shall be filed on or before the 15th day of the 9th month of such year by every corporation whose then anticipated income tax liability under section 11 or 1201(a), or subchapter L, chapter 1 of the Code, for the year meets the requirements of section 6016 (a). If, however, the requirements necessitating the filing of a declaration are first met after the last day of the 8th month and before the first day of the 12th month of the taxable year the declaration shall be filed on or before the 15th day of the 12th month of the taxable year. If, however, the requirements of section 6016(a) are not met before the first day of the 12th month of the taxable year, no declaration need be filed for such year.

(b) *Taxable years beginning after December 31, 1963.* A declaration of estimated tax for a taxable year beginning after December 31, 1963, required of a corporation by section 6016 shall be filed as follows:

If the requirements of section 6016 are first met—	The declaration shall be filed on or before—
Before the 1st day of the 4th month of the taxable year.	The 15th day of the 4th month of the taxable year.
After the last day of the 3d month and before the 1st day of the 6th month of the taxable year.	The 15th day of the 6th month of the taxable year.
After the last day of the 5th month and before the 1st day of the 9th month of the taxable year.	The 15th day of the 9th month of the taxable year.
After the last day of the 8th month and before the 1st day of the 12th month of the taxable year.	The 15th day of the 12th month of the taxable year.

(c) *Place for filing declaration.* The declaration of estimated tax shall be filed with the district director for the district in which the corporation expects to file its income tax return.

(d) *Amendment of declaration*—(1) *Taxable years beginning on or before December 31, 1963.* A declaration of estimated tax for a taxable year beginning on or before December 31, 1963, which is filed by a corporation prior to the 15th day of the 12th month of the taxable year may be amended in the manner prescribed in § 1.6016–3, at any time on or before such 15th day. An amended declaration shall be filed with the district director with whom the original declaration was filed.

(2) *Taxable years beginning after December 31, 1963.* In any case where a declaration of estimated tax for a taxable year beginning after December 31, 1963, has been filed, an amended declaration of estimated tax may be filed during any interval between installment dates prescribed for the taxable year. However, no amended declaration may be filed until after the installment date on or before which the original declaration was filed and only one amended declaration may be filed during each interval between installment dates. See § 1.6016–3 for the manner of making an amended declaration. An amended declaration shall be filed with the district with whom the original declaration was filed.

PAR. 7. Section 1.6074–2 is amended to read as follows:

§ 1.6074–2 Time for filing declarations by corporations in case of a short taxable year.

(a) *Taxable years beginning on or before December 31, 1963*—(1) *In general.* In the case of a short taxable year of 9 months or more beginning on or before December 31, 1963, where the requirements of section 6016(a) are met before the 1st day of the 9th month of the short taxable year, the declaration shall be filed on or before the 15th day of the 9th month of such short year. In the case of a short taxable year of more than 9 months, where the requirements of section 6016(a) are first met after the last day of the 8th month, but before the 1st day of the last month of the short taxable year, the declaration shall be filed on or before the 15th day of the last month of such short year. See § 1.6016–4, relating to the requirement of a declaration in the case of a short taxable year, and paragraph (a) of § 1.6154–2, relating to the time for payment of the estimated tax in case of a short taxable year.

(2) *Example.* The application of the provisions of this paragraph may be illustrated by the following example:

Example. A corporation which changes from a calendar year basis to a fiscal year basis beginning November 1, 1960, will have a short taxable year beginning January 1, 1960, and ending October 31, 1960. If the requirements of section 6016(a) are met before September 1, 1960 (the 1st day of the 9th month), the corporation is required to file its declaration on or before September 15, 1960 (the 15th day of the 9th month). However, if the requirements of section 6016 (a) are first met after August 31, 1960 (the last day of the 8th month), but before October 1, 1960 (the 1st day of the last month of the short year), the corporation is required to file its declaration on or before October 15, 1960 (the 15th day of the last month of the short year).

(b) *Taxable years beginning after December 31, 1963*—(1) *In general.* In the case of a short taxable year of 4 or more months which begins after December 31, 1963, the declaration shall be filed on or before the applicable date specified in paragraph (b) of § 1.6074–1, except that the declaration shall be filed on or before the 15th day of the last month of the short taxable year if the requirements of section 6016(a) are first met before the first day of such last month and the date specified in such paragraph (b) as applicable is not within the short taxable year. See § 1.6016–4, relating to the requirement of a declaration in the case of a short taxable year, and paragraph (b) of § 1.6154–2, relating to the time for payment of the estimated tax in case of a short taxable year.

(2) *Examples.* The application of the provisions of this paragraph may be illustrated by the following examples:

Example (1). A corporation filing on a calendar year basis which changes to a fiscal year beginning September 1, 1964, will have a short taxable year beginning January 1, 1964, and ending August 31, 1964. If the requirements of section 6016(a) are met before April 1, 1964 (the 1st day of the 4th month), the declaration of estimated tax must be filed on or before April 15, 1964 (the 15th day of the 4th month).

Example (2). If, in the first example, the corporation first meets the requirements of section 6016(a) during July 1964, then the requirements of section 6016(a) were met before the first day of the last month of the short taxable year, and a declaration of estimated tax is required to be filed on or before August 15, 1964, for the short taxable year. However, if the corporation does not meet the requirements of section 6016(a) until August 1, 1964, then the requirements of section 6016(a) were not met before the first day of the last month of the short taxable year, and no declaration of estimated tax is required to be filed for the short taxable year.

(c) *Amendment of declaration*—(1) *Taxable years beginning on or before December 31, 1963.* Where a declaration of estimated tax for a short taxable year of more than 9 months beginning on or before December 31, 1963, is filed before the 15th day of the last month of the short taxable year, an amended declaration may be filed any time on or before such 15th day.

(2) *Taxable years beginning after December 31, 1963.* Where a declaration of estimated tax for a short taxable year beginning after December 31, 1963, has been filed, an amended declaration may be filed during any interval between installment dates. However, no amended declaration for a short taxable year may be filed until after the installment date on or before which the original declaration was filed and only one amended declaration may be filed during each interval between installment dates. For purposes of this subparagraph the term "installment date" includes the 15th day of the last month of a short taxable year if such 15th day does not fall on a prescribed installment date.

PAR. 8. Section 1.6154 is amended by revising section 6154 and by adding a historical note. The amended and added provisions read as follows:

§ 1.6154 Statutory provisions; installment payments of estimated income tax by corporations.

Sec. 6154. *Installment payments of estimated income tax by corporations*—(a) *Amount and time for payment of each installment.* The amount of estimated tax (as defined in section 6016(b)) with respect to which a declaration is required under section 6016 shall be paid as follows:

(1) *Payment in 4 installments.* If the declaration is filed on or before the 15th day of the 4th month of the taxable year, the estimated tax shall be paid in 4 installments. The amount and time for payment of each installment shall be determined in accordance with the following table:

If the taxable year begins in—	The following percentages of the estimated tax shall be paid on the 15th day of the—			
	4th month	6th month	9th month	12th month
1964	1	1	25	25
1965	4	4	25	25
1966	9	9	25	25
1967	14	14	25	25
1968	19	19	25	25
1969	22	22	25	25
1970 or any subsequent year	25	25	25	25

(2) *Payment in 3 installments.* If the declaration is filed after the 15th day of the 4th month and not after the 15th day of the 6th month of the taxable year, and is not required by section 6074(a) to be filed on or before the 15th day of such 4th month, the estimated tax shall be paid in 3 installments. The amount and time for payment of each installment shall be determined in accordance with the following table:

If the taxable year begins in—	The following percentages of the estimated tax shall be paid on the 15th day of the—		
	6th month	9th month	12th month
1964	1⅓	25⅓	25⅓
1965	5⅓	26⅓	26⅓
1966	12	28	28
1967	18⅔	29⅔	29⅔
1968	25⅓	31⅓	31⅓
1969	29⅓	32⅓	32⅓
1970 or any subsequent year	33⅓	33⅓	33⅓

(3) *Payment in 2 installments.* If the declaration of estimated tax is filed after the 15th day of the 6th month and not after the 15th day of the 9th month of the taxable year, and is not required by section 6074(a) to be filed on or before the 15th day of such 6th month, the estimated tax shall be paid in 2 installments. The amount and time for payment of each installment shall be determined in accordance with the following table:

If the taxable year begins in—	The following percentages of the estimated tax shall be paid on the 15th day of the—	
	9th month	12th month
1964	26	26
1965	29	29
1966	34	34
1967	39	39
1968	44	44
1969	47	47
1970 or any subsequent year	50	50

(4) *Payment in 1 installment.* If the declaration of estimated tax is filed after the 15th day of the 9th month of the taxable year, and is not required by section 6074(a) to be filed on or before the 15th day of such 9th month, the estimated tax shall be paid in 1 installment. The amount and time for payment of the installment shall be determined in accordance with the following table:

If the taxable year begins in—	The following percentages of the estimated tax shall be paid on the 15th day of the 12th month
1964	52
1965	58
1966	68
1967	78
1968	88
1969	94
1970 or any subsequent year	100

(5) *Late filing.* If the declaration is filed after the time prescribed in section 6074(a) (determined without regard to any extension of time for filing the declaration under section 6081), paragraphs (2), (3), and (4) of this subsection shall not apply, and there shall be paid at the time of such filing all installments of estimated tax which would have been payable on or before such time if the declaration had been filed within the time prescribed in section 6074(a), and the remaining installments shall be paid at the times at which, and in the amounts in which, they would have been payable if the declaration had been so filed.

(b) *Amendment of declaration.* If any amendment of a declaration is filed, the amount of each remaining installment (if any) shall be the amount which would have been payable if the new estimate had been made when the first estimate for the taxable year was made, increased or decreased (as the case may be), by the amount computed by dividing—

(1) The difference between (A) the amount of estimated tax required to be paid before the date on which the amendment is made, and (B) the amount of estimated tax which would have been required to be paid before such date if the new estimate had been made when the first estimate was made, by

(2) The number of installments remaining to be paid on or after the date on which the amendment is made.

(c) *Application to short taxable year.* The application of this section to taxable years of less than 12 months shall be in accordance with regulations prescribed by the Secretary or his delegate.

(d) *Installments paid in advance.* At the election of the corporation, any installment of the estimated tax may be paid before the date prescribed for its payment.

[Sec. 6154 as amended by sec. 122(a), Rev. Act 1964 (78 Stat. 25)]

PAR. 9. Section 1.6154-1 is amended to read as follows:

§ 1.6154-1 Payment of estimated tax by corporations.

(a) *Taxable years beginning on or before December 31, 1963*—(1) *Amount required to be paid.* Every corporation required to file a declaration of estimated tax for a taxable year beginning on or before December 31, 1963, shall pay the following percentage of its estimated tax:

If the taxable year ends—	The amount required to be paid is the following percentage of the estimated tax—
On or after Dec. 31, 1955, and before Dec. 31, 1956	10
On or after Dec. 31, 1956, and before Dec. 31, 1957	20
On or after Dec. 31, 1957, and before Dec. 31, 1958	30
On or after Dec. 31, 1958, and before Dec. 31, 1959	40
On or after Dec. 31, 1959	50

(2) *Time for payment.* (i) In the case of a corporation on the calendar year basis which files its declaration on or before September 15 of the taxable year, the percentage of the estimated tax required to be paid is payable in two equal installments, one at the time of filing the declaration, and the other on or before December 15 of the taxable year. If the corporation files its declaration after September 15 of the taxable year, the percentage of the estimated tax required to be paid is payable in full on or before December 15 of the taxable year.

(ii) In the case of a corporation whose taxable year is a fiscal year, the dates prescribed for payment of the estimated tax shall be the 15th day of the 9th month and the 15th day of the 12th month of such taxable year. If the corporation files its declaration after the 15th day of such 9th month, the percentage of the estimated tax required to be paid is payable in full on or before the 15th day of such 12th month.

(3) *Amendment of declaration.* In the case of an amended declaration, filed in accordance with section 6074, the installment payable on the 15th day of the 12th month of the taxable year shall be ratably increased or decreased, as the case may be, to reflect the increase or decrease in the estimated tax by reason of the amended declaration. For example, X, a corporation on the calendar year basis, filed a declaration on September 15, 1955, reporting an estimated tax in the amount of $20,000. The first installment of $1,000 (5 percent of $20,000) accompanied the declaration. However, X filed an amended declaration on December 15, 1955, showing an estimated tax of $30,000. Since X has already paid $1,000, it must make a payment in the amount of $2,000 computed as follows:

Required amount of estimated tax which must be paid for calendar year 1955 (10% of $30,000)	$3,000
Amount paid with original estimate (5% of $20,000)	1,000
Balance to accompany amended declaration	2,000

Had the amended declaration been filed on December 10, 1955, then only the balance of the first installment ($500) otherwise due on September 15 would have been required to be paid with the declaration and the installment required to be paid on or before December 15, 1955, would be $1,500.

(b) *Taxable years beginning after December 31, 1963*—(1) *Amount and time for payment of each installment*—(i) *In general.* Paragraphs (1) through (4) of section 6154(a) contain four tables setting forth the percentages of estimated tax for each taxable year beginning after December 31, 1963, which shall be paid as installments of estimated tax and the date on or before which each such installment shall be paid. The date on or before which the declaration of estimated tax for a taxable year is required, under the provisions of section 6074(a), to be filed determines which of the four installment payment tables shall be used by the corporation for that taxable year. Therefore, if the declaration is required to be filed by the 15th day of the 4th, 6th, 9th, or 12th month, the estimated tax will be required to be paid in four, three, two, or one installment, respectively. However, see subdivision (iii) of this subparagraph for the rules applicable in case of the late filing of a declaration.

(ii) *Examples.* The application of the tables in section 6154(a) may be illustrated by the following examples:

Example (1). X, a corporation reporting on a calendar year basis, is required for the calendar year 1966 to file a declaration of estimated tax on or before the 15th day of the 4th month thereof (April 15, 1966) reporting an estimated tax liability of $250,000. Assuming that the original declaration is filed on or before April 15, 1966, and is not subsequently amended, X is required to pay its estimated tax in four installments. The first and second installments, each in the amount of $22,500 (9 percent of $250,000), are to be paid on or before April 15, 1966, and June 15, 1966, respectively, and the third and fourth installments, each in the amount of $62,500 (25 percent of $250,000), are to be paid on or before September 15, 1966, and December 15, 1966, respectively.

Example (2). Y, a corporation which reports on a calendar year basis, is required for the calendar year 1967 to file a declaration of estimated tax on or before the 15th day of the 6th month thereof (June 15, 1967) reporting an estimated tax liability of $100,000. Assuming that the original declaration is filed on or before June 15, 1967, and is not subsequently amended, Y is required to pay its estimated tax in three installments. The first installment, in the amount of $18,666.67 (18⅔ percent of $100,000), is to be paid on or before June 15, 1967, and the second and third installments, each in the amount of $29,666.67 (29⅔ percent of $100,000), are to be paid on or before September 15, 1967, and December 15, 1967, respectively.

Example (3). Z, a corporation which reports on a fiscal year basis ending with June 30 of each year, is required for the fiscal year ended June 30, 1968, to file a declaration of estimated tax on or before the 15th day of the fourth month thereof (October 15, 1967) reporting an estimated tax liability of $200,000. Assuming that the original declaration is filed on or before October 15, 1967, and is not subsequently amended, Z is required to pay its estimated tax in four installments. The first and second installments, each in the amount of $28,000 (14 percent of $200,000), are to be paid on or before October 15, 1967, and December 15, 1967, respectively, and the third and fourth installments, each in the amount of $50,000 (25 percent of $200,000), are to be paid on or before March 15, 1968, and June 15, 1968, respectively.

(iii) *Late filing of declaration of estimated tax.* If a declaration of estimated tax is filed after the date prescribed by section 6074(a) (determined without regard to any extension of time for filing the declaration under section 6081), the tables set forth in paragraphs (2), (3), and (4) of section 6154(a) do not apply except as provided in this subdivision. In such a case, there shall be paid at the time of the filing of the declaration all installments of the estimated tax which would have been payable under the appropriate table in section 6154(a) on or before such date of filing if the declaration had been timely filed in accordance with the provisions of section 6074(a). The remaining installments shall be paid at the times and in the amounts in which they would have been payable if the declaration had been timely filed. For example, Z, a corporation filing its returns on a calendar year basis, fails to file a declaration of estimated tax on April 15, 1968, even though the requirements for filing a declaration were met before April 1, 1968. However, Z does file its declaration of estimated tax on July 1, 1968, disclosing an estimated tax of $75,000. *As of the first two installment dates specified in paragraph* (1) of section 6154(a) (the 15th days of the 4th and 6th months) have passed, Z is required to pay $28,500 (2 installments, each in the amount of 19 percent of $75,000) when the declaration is filed on July 1, 1968. If there are no subsequent amendments of the declaration for this year, Z will be required to pay installments, each in the amount of $18,750 (25 percent of $75,000), on or before September 15, 1968, and December 15, 1968, respectively.

(2) *Amendment of declaration*—(i) *In general.* If any amendment of a declaration is filed, the amount of each remaining installment (including the installment due on the date of the filing of the amendment where the amendment is filed on an installment date), if any, is the amount which would have been payable as such installment if the new estimate had been the original estimate, adjusted as provided in this subdivision. The adjustment is for the difference between (*a*) the amount of estimated tax required to be paid before the date of the filing of the amendment and (*b*) the amount of estimated tax which would have been required to have been paid before such date if the new estimate had been the original estimate. The difference is divided by the number of remaining installments (including the installment due on the date of the filing of the amendment where the amendment is filed on an installment date), and the resulting amount is added to (if the amended declaration increases the amount of estimated tax) or subtracted from (if the amended declaration decreases the amount of the estimated tax) the amount which would have been payable on each remaining installment date if the new estimate had been the original estimate.

(ii) *Examples.* The application of the provisions of this subparagraph may be illustrated by the following examples:

Example (*1*). X, a calendar year corporation, determines that its estimated tax liability for the year 1967 is $100,000 and files a declaration of estimated tax by April 15, 1967, with an installment payment of $14,000. On June 15, 1967, the second installment payment of $14,000 is made. On July 1, 1967, X discovers that its 1967 estimated tax may reasonably be expected to be $150,000 and on September 15, 1967, files an amended declaration in that amount. The amounts to be paid on September 15, 1967, and December 15, 1967, are computed as follows:

Installment payments required to be made under the original declaration before date of filing of amendment (14% of $100,000 is $14,000×2)	$28,000
Installment payments which would have been required to be made before date of filing of amendment if the original declaration were in the amount of the amended declaration (14% of $150,000 is $21,000×2)	42,000
Difference	14,000
Amount of each installment payment due on September 15, 1967, and December 15, 1967, computed as if the original declaration were in the amount of the amended declaration (25% of $150,000)	37,500
Add: Amount of difference divided by number of remaining installments ($14,000÷2)	7,000
Amount of each remaining installment (September 15, 1967, and December 15, 1967)	44,500

Example (2). Assume the same facts as in example (1), except that instead of filing the amended declaration on September 15, 1967, X files an amended declaration on June 15, 1967, disclosing an estimated tax of $70,000. The installment payments for June 15, 1967, September 15, 1967, and December 15, 1967, are computed as follows:

Installment payment required to be made under the original declaration before the date of filing of amendment (14% of $100,000)	$14,000
Installment payment which would have been required to be made before date of filing of amendment if the original declaration were in the amount of the amended declaration (14% of $70,000)	9,800
Difference	4,200

June 15, 1967, installment computation:

Installment payment due on June 15, 1967, computed as if the original declaration were in the amount of the amended declaration (14% of $70,000)	9,800
Less: Amount of difference divided by number of remaining installments ($4,200÷3)	1,400
Amount to be paid as an installment on June 15, 1967	8,400

September 15, 1967, and December 15, 1967, installments computation:

Amount of each installment payment due on September 15, 1967, and December 15, 1967, computed as if the original declaration were in the amount of the amended declaration (25% of $70,000)	17,500
Less: Amount of difference divided by number of remaining installments ($4,200÷3)	$1,400
Amount of each remaining installment (September 15, 1967, and December 15, 1967)	16,000

(c) *Installments paid in advance.* A corporation may, at its election, pay an installment of its estimated tax in advance of the due date.

(d) *Considered payment of income tax.* Payments of estimated tax shall be considered payments on account of the income tax liability for the taxable year. Hence the amount of estimated tax paid shall be entered on the income tax return and applied in payment of the tax liability shown thereon.

PAR. 10. Section 1.6154–2 is amended to read as follows:

§ 1.6154–2 Short taxable years.

(a) *Taxable years beginning on or before December 31, 1963*—(1) *In general.* In the case of a corporation filing a declaration for a short taxable year beginning on or before December 31, 1963, the amount of the estimated tax required to be paid shall be paid as follows:

(i) If the short taxable year is a period of more than 9 months and the declaration is required to be filed on or before the 15th day of the 9th month, the amount of the estimated tax required to be paid shall be paid in 2 installments; the 1st on or before the 15th day of the 9th month and the 2d on or before the 15th day of the last month of the short taxable year.

(ii) If the short taxable year is a period of 9 or more months and the declaration is not required to be filed until the 15th day of the last month of the short taxable year, the amount of the estimated tax required to be paid shall be paid in full on or before the 15th day of the last month of the short taxable year.

(2) *Examples.* The application of the provisions of subparagraph (1) of this paragraph may be illustrated by the following examples:

Example (*1*). If a corporation changes from a calendar year to a fiscal year beginning November 1, 1956, and ending October 31, 1957, a declaration is required on or before September 15, 1956, for the short taxable year January 1, 1956, to October 31, 1956, if such corporation otherwise meets the requirements of section 6016(a) on or before August 31, 1956. In such case the first installment of the estimated tax must be paid with the declaration filed on September 15, 1956. The second installment must be paid on or before October 15, 1956, the 15th day of the last month of the short taxable year.

Example (2). If, in the first example, the corporation did not meet the requirements of section 6016(a) until after August 31, 1956, but before October 1, 1956, the declaration would have been due on October 15, 1956. In such case the amount of the estimated tax required to be paid must be paid in full with the declaration filed on October 15, 1956.

(b) *Taxable years beginning after December 31, 1963*—(1) *In general.* In the case of a short taxable year which begins after December 31, 1963, and in respect of which a declaration of estimated tax is required to be filed (see paragraph (b) of § 1.6074–2), the amount of, and time for payment of, each installment of estimated tax shall be determined by paragraphs (1) to (4), inclusive, of section 6154(a), except that any estimated tax payable in installments which is not paid before the 15th day of the last month of the short taxable year (whether or not the date otherwise specified in section 6154(a) for payment has arrived) shall be paid on such 15th day of the last month of the short taxable year.

(2) *Examples.* The application of the provisions of subparagraph (1) of this paragraph may be illustrated by the following examples:

Example (1). X, a corporation filing on a calendar year basis, changes to a fiscal year beginning September 1, 1965, and ending August 31, 1966, and is required to file a declaration on or before April 15, 1965, for the short taxable year January 1, 1965, to August 31, 1965. X must make two 4 percent installment payments of the estimated tax, the first on or before April 15, 1965, and the second on or before June 15, 1965, and must pay 50 percent (25 percent for the 3d installment plus 25 percent for the 4th installment) of the estimated tax on or before August 15, 1965 (the 15th day of the last month of the short taxable year), as the last installment.

Example (2). If, in the first example, X does not meet the requirements of section 6016(a) until June 15, 1965, the declaration is due on or before August 15, 1965. X is required to pay 58 percent of the estimated tax on or before August 15, 1965 (the 15th day of the last month of the short taxable year).

(3) *Late filing of declaration of estimated tax.* In the case of a declaration of estimated tax for a short taxable year beginning after December 31, 1963, filed after the date prescribed by section 6074(a) (determined without regard to any extension of time for filing the declaration under section 6081), the provisions of paragraph (b)(1)(iii) of § 1.6154–1 shall be applied in determining the amount of and time for payment of each installment. However, where, under the provisions of paragraph (b)(1)(iii) of § 1.6154–1, installments are to be paid after the close of the short taxable year, such installments shall be paid on or before the 15th day of the last month of the short taxable year.

(4) *Amended declarations.* In the case of an amended declaration of estimated tax for a short taxable year beginning after December 31, 1963, filed in accordance with section 6074(b), the provisions of paragraph (b)(2) of § 1.6154–1 shall apply to determine the amount of each remaining installment. However, where, under the provisions of such paragraph (b)(2), installments are to be paid after the close of the short taxable year, such installments shall be paid on or before the 15th day of the last month of the short taxable year.

PAR. 11. Section 1.6655 is amended by revising subsections (c)(2) and (d)(3) of section 6655, and by adding a historical note. These amended and added provisions read as follows:

§ 1.6655 Statutory provisions; failure by corporation to pay estimated income tax.

SEC. 6655. *Failure by corporation to pay estimated income tax.* * * *

(c) *Period of underpayment.* * * *

(2) With respect to any portion of the underpayment, the date on which such portion is paid. For purposes of this paragraph, a payment of estimated tax on any installment date shall be considered a payment of any previous underpayment only to the extent such payment exceeds the amount of the installment determined under subsection (b)(1) for such installment date.

(d) *Exception.* * * *

(3) (A) An amount equal to 70 percent of the tax for the taxable year computed by placing on an annualized basis the taxable income:

(i) For the first 3 months of the taxable year, in the case of the installment required to be paid in the 4th month,

(ii) For the first 3 months or for the first 5 months of the taxable year, in the case of the installment required to be paid in the 6th month,

(iii) For the first 6 months or for the first 8 months of the taxable year in the case of the installment required to be paid in the 9th month, and

(iv) For the first 9 months or for the first 11 months of the taxable year, in the case of the installment required to be paid in the 12th month of the taxable year.

(B) For purposes of this paragraph, the taxable income shall be placed on an annualized basis by—

(i) Multiplying by 12 the taxable income referred to in subparagraph (A), and

(ii) Dividing the resulting amount by the number of months in the taxable year (3, 5, 6, 8, 9, or 11, as the case may be) referred to in subparagraph (A).

* * * * *

[Sec. 6655 as amended by sec. 122(c), Rev. Act. 1964 (78 Stat. 28)]

PAR. 12. Subparagraphs (1)(i), (2), and (3) of paragraph (a) of § 1.6655–1 are amended to read as follows:

§ 1.6655–1 Addition to the tax in the case of a corporation.

(a) *In general.* (1) * * *

(i) 70 percent of the tax shown on the return for the taxable year or, if no return was filed, 70 percent of the tax for such year, multiplied by the percentage of estimated tax required to be paid on or before the installment date, over

* * * * *

(2) The amount of the addition is determined at the rate of 6 percent per annum upon the underpayment of any installment of estimated tax for the period from the date such installment is required to be paid until the 15th day of the third month following the close of the taxable year, or the date such underpayment is paid, whichever is earlier. For purposes of determining the period of the underpayment (i) the date prescribed for payment of any installment of estimated tax shall be determined without regard to any extension of time, and (ii) a payment of estimated tax on any installment date, to the extent that it exceeds the amount of the installment determined under subparagraph (1)(i) of this paragraph for such date, shall be considered a payment of the previous underpayment, if any.

(3) The term "tax" as used in subparagraph (1)(i) of this paragraph means the excess of the tax imposed by section 11 or 1201(a), or subchapter L, chapter 1 of the Code, whichever is applicable, over the sum of $100,000 and the credits against tax provided by sections 32, 33, and 38. However, for the rule with respect to the limitation upon the $100,000 exemption for members of certain electing affiliated groups, see section 243(b)(3)(C)(v) and the regulations thereunder.

* * * * *

PAR. 13. Section 1.6655–2 is amended by revising subparagraphs (3), (4), and (5) of paragraph (a), by revising subparagraph (1) of paragraph (b), by revising so much of paragraph (2) of paragraph (b) as precedes subdivision (i) thereof, by revising the example in paragraph (c) and by revising paragraph (d). These amended and added provisions read as follows:

§ 1.6655–2 Exceptions to imposition of the addition to the tax in the case of corporations.

(a) *In general.* * * *

(3) An amount equal to 70 percent of the tax determined by placing on an annual basis the taxable income for—

(i) The first 3 months of the taxable year, in the case of the installment required to be paid in the 4th month,

(ii) Either the first 3 months or the first 5 months of the taxable year (whichever results in no addition being imposed), in the case of the installment required to be paid in the 6th month,

(iii) Either the first 6 months or the first 8 months of the taxable year (whichever results in no addition being imposed), in the case of the installment required to be paid in the 9th month, and

(iv) Either the first 9 months or the first 11 months of the taxable year (whichever results in no addition being imposed), in the case of the installment required to be paid in the 12th month.

The taxable income so determined shall be placed on an annual basis by first multiplying it by 12, and then dividing the resulting amount by the number of months in the taxable year for which the taxable income was so determined.

(4) In the case of a taxpayer whose taxable year consists of 52 or 53 weeks in accordance with section 441(f), the rules prescribed by paragraph (b) of § 1.441–2 shall be applicable in determining, for purposes of subparagraph (1) of this paragraph, whether a taxable year was a year of 12 months and in determining, for purposes of subparagraph (3) of this paragraph, the commencement of the 3-month period, or the 3- or 5-month period, or the 6- or 8-month period, or the 9- or 11-month period, whichever is applicable. For example, if a taxable year begins on December 26, 1956, taxable income for the first 6 months of such year, for purposes of subparagraph (3) of this paragraph, shall be taxable income for the period beginning on December 26, 1956, and ending on June 30, 1957, since such taxable year is deemed to com-

mence on January 1, 1957, under section 441(f).

(5) If the end of any accounting period employed by the taxpayer (e.g., any of either thirteen 4-week periods or four 13-week periods) does not correspond to the termination date of the applicable 3-month, or 3- or 5-month, or 6- or 8-month, or 9- or 11-month, period, taxable income shall be determined from the beginning of the taxable year to the close of the accounting period ending immediately before the termination date of the applicable 3-month, or 3- or 5-month, or 6- or 8-month, or 9- or 11-month, period and to the close of the accounting period within which such termination date falls. There shall be determined that portion of the difference between the two amounts of taxable income so determined which bears the same ratio to the total difference between such amounts as the number of days from the close of the first such accounting period to the close of such applicable 3-month, or 3- or 5-month, or 6- or 8-month, or 9- or 11-month, period bears to the total number of days between the termination dates of such two accounting periods. The portion of the difference between such amounts so determined shall then be added to (or subtracted from) taxable income determined to the close of the first such accounting period to determine taxable income for such applicable 3-month, or 3- or 5-month, or 6- or 8-month, or 9- or 11-month, period. For example, a taxpayer whose taxable year consists of 52 or 53 weeks in accordance with section 441(f) has a taxable year beginning on December 26, 1956, and thirteen 4-week accounting periods are employed in determining taxable income. Taxable income from December 26, 1956, to the close of the 4-week accounting period ending on June 11, 1957, is $200,000, and taxable income from December 26, 1956, to the close of the 4-week accounting period ending on July 9, 1957, is $228,000. Taxable income for the 6-month period ending on June 30, 1957, is $219,000 ($200,000+(19×28,000÷28)).

(b) *Meaning of terms.* (1) For the purpose of the exceptions described in paragraph (a) of this section, the term "tax" means the excess of the tax imposed by section 11 or 1201(a), or subchapter L, chapter 1 of the Code, whichever is applicable, over the sum of $100,000 plus the credits against tax allowed by sections 32, 33, and 38.

(2) The credits against the tax allowed by sections 32, 33, and 38, are—

* * * * *

(c) *Examples.* The application of the exceptions to the imposition of the addition to tax may be illustrated by examples employing the following statement of facts:

STATEMENT OF FACTS

Y, a corporation reporting on a calendar year basis, filed a declaration on April 15, 1965, showing an estimated tax of $47,100 for its taxable year ending December 31, 1965. The first installment of 4 percent of the estimated tax or $1,884 was paid with the filing of the declaration, the second installment in the same amount was paid on June 15, 1965, and the third and fourth installments of $11,775 (25 percent of the estimated tax) each were paid on September 15, 1965, and December 15, 1965, respectively. Y reported a tax liability of $175,900 on its return due March 15, 1966. There was an underpayment in the amount of $241.20 on each of the first and second installment dates and $1,507.50 on each of the third and fourth installments dates determined as follows:

(1) Tax as defined in paragraph (b) of this section ($175,900—$100,000)	$75,900.00
(2) 70% of item (1)	53,130.00
(3) 4% of item (2)	2,125.20
(4) Deduct amount paid on each of the first and second installment dates	1,884.00
(5) Amount of underpayment at each of the first and second installment dates (item (3) minus item (4))	241.20
(6) 25% of item (2)	13,282.50
(7) Deduct amount paid on each of the last two installment dates	11,775.00
(8) Amount of underpayment at each of the third and fourth installment dates (item (6) minus item (7))	1,507.50

The application of each exception described in paragraph (a) of this section is determined as follows:

(1) Assume Y reported a liability of $158,000 on its return for the taxable year ending December 31, 1964. If the estimated tax were $158,000 reduced by $100,000, or $58,000, the amount which would have been required to be paid on or before each of the first and second installment dates would be 4 percent of $58,000, or $2,320. The amount which would have been required to be paid on or before each of the third and fourth installment dates would be 25 percent of $58,000, or $14,500. Since these amounts exceed the corresponding amounts actually paid on each installment date ($1,884 and $11,775, respectively), the exception described in paragraph (a)(1) of this section does not apply.

(2) As the corporation tax rates under section 11 are different for the taxable years ending December 31, 1964, and December 31, 1965, the amount of tax determined under paragraph (a)(2) of this section and the amounts required to be paid on or before each installment date must be determined. The tax liability determined on the basis of the calendar year 1965 rates but on the basis of the calendar year 1964 return is $151,900 and the estimated tax is $151,900 less $100,000, or $51,900. The amount which would have been required to be paid on or before each of the first and second installment dates would be 4 percent of $51,900, or $2,076, and the amount which would have been required to be paid on or before each of the third and fourth installment dates would be 25 percent of $51,900, or $12,975. Since these amounts exceed the corresponding amounts actually paid on each installment date ($1,884 and $11,775, respectively), the exception described in paragraph (a)(2) of this section does not apply.

(3) Y determined that its taxable income for the first 3, 5, 6, 8, 9, and 11 months was $87,500, $155,000, $185,000, $246,000, $288,000, and $341,000, respectively. The income for each period is annualized as follows:

$$87{,}500\times 12\div 3=\$350{,}000$$
$$155{,}000\times 12\div 5=\$372{,}000$$
$$185{,}000\times 12\div 6=\$370{,}000$$
$$246{,}000\times 12\div 8=\$369{,}000$$
$$288{,}000\times 12\div 9=\$384{,}000$$
$$341{,}000\times 12\div 11=\$372{,}000$$

To determine whether the installment payment made on April 15, 1965, equals or exceeds the amount which would have been required to be paid if the estimated tax were equal to 70 percent of the tax computed on the annualized income for the 3-month period, the following computation is necessary:

	3 months
(1) Annualized income	$350,000
(2) Tax on item (1) reduced by $100,000	61,500
(3) 70 percent of item (2)	43,050
(4) 4 percent of item (3)	1,722

To determine whether the installment payments made on or before June 15, 1965, equal or exceed the amount which would have been required to be paid if the estimated tax were equal to 70 percent of the tax computed on the annualized income for either the 3- or 5-month period, the following computation is necessary:

	3 months	5 months
(1) Annualized income	$350,000.00	$372,000.00
(2) Tax on item (1) reduced by $100,000	61,500.00	72,060.00
(3) 70 percent of item (2)	43,050.00	50,442.00
(4) 8 percent of item (3)	3,444.00	4,035.36

To determine whether the installment payments made on or before September 15, 1965, equal or exceed the amount which would have been required to be paid if the estimated tax were equal to 70 percent of the tax computed on the annualized income for either the 6- or 8-month period, the following computation is necessary:

	6 months	8 months
(1) Annualized income	$370,000.00	$369,000.00
(2) Tax on item (1) reduced by $100,000	71,100.00	70,620.00
(3) 70 percent of item (2)	49,770.00	49,434.00
(4) 33 percent of item (3)	16,424.10	16,313.22

To determine whether the installment payments made on or before December 15, 1965, equal or exceed the amount which would have been required to be paid if the estimated tax were equal to 70 percent of the tax computed on the annualized income for either the 9- or 11-month period, the following computation is necessary:

	9 months	11 months
(1) Annualized income	$384,000.00	$372,000.00
(2) Tax on item (1) reduced by $100,000	77,820.00	72,060.00
(3) 70 percent of item (2)	54,474.00	50,442.00
(4) 58 percent of item (3)	31,594.92	29,256.36

The total amounts of all payments of estimated tax actually paid on or before the installment dates of April 15, 1965, June 15, 1965, September 15, 1965, and December 15, 1965, are $1,884, $3,768, $15,543, and $27,318, respectively. Since the total amounts of estimated tax actually paid on the first and second installment dates (April 15, 1965, and June 15, 1965) exceed the amounts required to be paid on such dates if the estimated tax were 70 percent of the tax determined by placing on an annualized basis the taxable income for the first 3 months of the taxable year, the exception described in paragraph (a)(3) of this section applies and no addition to tax will be imposed for the installments paid on April 15, 1965, and June 15, 1965. However, since the total amount of all payments of estimated tax actually paid on or before the third and fourth installment dates (September 15, 1965, and December 15, 1965) does not equal or exceed the applicable alternative amounts, the addition to the tax with respect to the underpayment of the September 15, 1965, and December 15, 1965, installments must be imposed.

(d) *Determination of taxable income for portion of taxable year.* In determining the applicability of the exception described in paragraph (a)(3) of this section, there must be an accurate determination of the amount of income and deductions for the appropriate period, that is, for the first 3, 5, 6, 8, 9, or 11 months of the taxable year. See paragraph (d)(1) of § 1.6654–2 for a description of a similar requirement with respect to individuals.

[F.R. Doc. 64–8597; Filed, Aug. 24, 1964; 8:48 a.m.]

DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

[7 CFR Part 1047]

[Docket No. AO–33–A29]

MILK IN FORT WAYNE, INDIANA, MARKETING AREA

Decision on Proposed Amendments to Tentative Marketing Agreement and to Order

Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601 et seq.), and the applicable rules of practice and procedure governing the formulation of marketing agreements and marketing orders (7 CFR Part 900), a public hearing was held at Fort Wayne, Indiana, on July 21, 1964, pursuant to notice thereof issued on July 6, 1964 (29 F.R. 9398).

Upon the basis of the evidence introduced at the hearing and the record thereof, the Deputy Administrator, Regulatory Programs, on August 10, 1964 (29 F.R. 11600; F.R. Doc. 64–8188) filed with the Hearing Clerk, U.S. Department of Agriculture, his recommended decision containing notice of the opportunity to file written exceptions thereto.

The material issue, findings and conclusions, rulings, and general findings of the recommended decision (29 F.R. 11600; F.R. Doc. 64–8188) are hereby approved and adopted and are set forth in full herein.

The material issue on the record of the hearing relates to the limits on diversion of producer milk to nonpool plants.

Findings and conclusions. The following findings and conclusions on the material issues are based on evidence presented at the hearing and the record thereof:

The order should be amended to provide an optional basis for the diversion of producer milk to nonpool plants during each September through December period. A cooperative association should be allowed to divert either one-half of the days of production of each member producer as presently permitted, or, under the option, a maximum of 35 percent of all milk of its members. Similarly, the operator of a pool plant should be allowed to divert the milk of each of the producers delivering to his plant (except members of a cooperative which is diverting milk on a percentage basis) to the extent of one-half of the days of the producer's production in each such month, or an aggregate of 35 percent of the milk of all such producers supplying his plant. The order should require further that the milk of each producer diverted to a nonpool plant under the optional "percentage" provision be received at a pool plant for at least one day during the month.

The present order permits diversion of producer milk to nonpool plants without limitation during January through August. For September through December milk may be diverted for a maximum of one-half of the days of production of the individual producer. Proponent cooperative has encountered operating problems under the present diversion limits effective in the fall months which have increased hauling costs and caused accounting problems. To eliminate these difficulties, it was proposed that any cooperative association with 65 percent of its milk received at pool plants during the month in the September through December period be permitted to divert individual member producers without limit in such month.

Proponent cooperative supplies several Fort Wayne handlers with their full supplies of milk. Milk surplus to the precise plant requirements of the individual handler is diverted by the cooperative to its manufacturing plant located in Fort Wayne. During September, October, November, and December, 1963, the cooperative diverted 18, 14, 21 and 23 percent, respectively, of its member milk to the manufacturing plant.

The cooperative has developed a system which it finds to be efficient for allocating its member milk to the several bottling plants. Under this system the cooperative assigns those producers on its larger farm bulk tank routes (routes picked up by a single bulk tank truck carrying about 30,000 pounds of milk) on a regular basis to pool plants. This milk is the nucleus of the raw milk supply for the receiving handlers and is diverted to the manufacturing plant only occasionally during the month. The association uses its smaller farm bulk tank routes (delivered in bulk tank trucks holding about 12,000 pounds of milk) as balancing routes. On days of peak demand for bottling, the cooperative supplies handlers with extra milk from the lower-volume routes. Since some handlers need only limited amounts of extra milk, use of the smaller loads for this purpose has enabled the cooperative to satisfy the precise demands of handlers for milk with efficient handling of the milk as delivered from the farm.

At times, however, the producer milk on the balancing routes is needed at pool plants for only a few days during the month. Last year during September through December, for example, the cooperative, because of the nature of its hauling and handling operations, experienced considerable difficulty in attaining delivery to pool plants of the production of certain producers on the required number of days during the month. To do so the cooperative had to divert considerable amounts of producer milk on the larger routes away from regular outlets to the cooperative's manufacturing plant. Producer milk on the smaller routes, normally delivered to pool plants only on peak bottling days, was then shipped there for the additional days necessary to qualify it as producer milk. This added to milk hauling costs and created accounting problems for the cooperative. It also made efficient allocation of the milk among handlers difficult since the diversion limit prevented full use of the cooperative's regular system for assigning milk among handlers.

A percentage diversion provision would be more flexible and would permit more efficient marketing. With such a provision the producer milk on the balancing routes could remain priced and pooled under the order without the necessity of uneconomic shifting of supplies. A percentage limit which would not require each producer's milk to be received at a pool plant for one-half of the days of production thus would permit the cooperative to supply the precise milk needs of handlers at all times at minimum cost to the producers.

As an alternative to the present days of production limitation, a cooperative therefore should be enabled to divert up to 35 percent of its member milk to nonpool plants provided each producer's milk is received at a pool plant for one day during the month. The latter requirement will insure that the milk of each producer continues to be available to the market.

The size of the percentage diversion limit contained in the cooperative's proposal, 35 percent of a cooperative association's member milk, is appropriate for this purpose. Although proponent diverted a somewhat smaller percentage in the fall of 1963, a 35 percent limit is necessary to provide an adequate operating margin. Proponent's diversions this year could be higher than those of 1963. This is so because the cooperative currently supplies bottlers who sell major portions of their packaged milk to large wholesale outlets for distribution through supermarkets. Competition for these store contracts is keen and these accounts can change hands on short notice. Loss of wholesale accounts may significantly lower milk requirements of a particular bottler and, in turn, could force the cooperative to divert to its manufacturing plant greater-than-normal amounts of milk.

The more flexible percentage system for diversions of producer milk should apply also with respect to proprietary operators of pool plants. Some handlers receiving non-member producer milk dispose of excess supplies by diversion to nonpool plants. An appropriate percentage limit for such handlers is 35 percent of the milk of producers (except members of a cooperative which is diverting milk on a percentage basis) supplying the pool plant. This percentage should cover the quantities which pool plant operators would normally divert during the fall months. For the reasons previously stated in the discussion of the application of the provision to cooperative associations, operators of pool plants also should be required to receive the milk of each producer at a pool plant for at least one day during the month.

Proprietary handlers should have the same opportunity to realize economies such as those which would accrue to the proponent cooperative under the percentage diversion system. It is frequently possible for a diverting handler to cut milk hauling costs by diverting certain loads of producer milk to nonpool plants for a greater portion of the time while receiving milk from other producers nearly every day. Proponent cooperative did not oppose giving proprietary handlers such a diversion privilege.

Under the new provision a proprietary handler should not be permitted to divert the milk of members of a cooperative which is diverting milk on a "percentage" basis. Such a limitation is necessary to prevent double accounting on cooperative association member milk. Without such a restriction a cooperative could divert a full 35 percent of its member milk. At the same time a handler could divert either one-half of the days of production of these producers or 35 percent of their milk. This could result in diversions of member milk considerably in excess of the 35 percent limit included in the order to cover surplus disposal requirements.

For administrative application of the provision, the order should specify what is to be done when a cooperative or the operator of a pool plant "over-diverts" milk. When the days-of-production limit is exceeded only that milk of the individual producer which was received at a pool plant or which was diverted to a nonpool plant for not more than one-half of the days of production should be producer milk under the order. When the percentage system is elected and milk is over-diverted, an amount of milk equal to the quantity diverted in excess of the 35 percent limit should not be producer milk. In this case the cooperative or the operator of the pool plant should designate the dairy farmers whose milk is ineligible as producer milk. If a cooperative or a pool handler fails to designate the dairy farmers whose milk is ineligible, making it infeasible for the market administrator to determine which milk was over-diverted, all milk diverted to nonpool plants by such handlers should be made ineligible as producer milk. Use of the above procedures will provide practical methods for identification of the milk eligible for pricing and pooling under the order. At the same time maximum flexibility in handler operations will be permitted.

Rulings on proposed findings and conclusions. No briefs were filed on behalf of interested parties.

General findings. The findings and determinations hereinafter set forth are supplementary and in addition to the findings and determinations previously made in connection with the issuance of the aforesaid order and of the previously issued amendments thereto; and all of said previous findings and determinations are hereby ratified and affirmed, except insofar as such findings and determinations may be in conflict with the findings and determinations set forth herein.

(a) The tentative marketing agreement and the order, as hereby proposed to be amended, and all of the terms and conditions thereof, will tend to effectuate the declared policy of the Act;

(b) The parity prices of milk as determined pursuant to section 2 of the Act are not reasonable in view of the price of feeds, available supplies of feeds, and other economic conditions which affect market supply and demand for milk in the marketing area, and the minimum prices specified in the proposed marketing agreement and the order, as hereby proposed to be amended, are such prices as will reflect the aforesaid factors, insure a sufficient quantity of pure and wholesome milk, and be in the public interest; and

(c) The tentative marketing agreement and the order, as hereby proposed to be amended, will regulate the handling of milk in the same manner as, and will be applicable only to persons in the respective classes of industrial and commercial activity specified in, a marketing agreement upon which a hearing has been held.

Rulings on exceptions. No exceptions were filed on behalf of interested parties.

Marketing agreement and order. Annexed hereto and made a part hereof are two documents entitled respectively, "Marketing Agreement Regulating the Handling of Milk in the Fort Wayne, Indiana, Marketing Area", and "Order Amending the Order Regulating the Handling of Milk in the Fort Wayne, Indiana, Marketing Area", which have been decided upon as the detailed and appropriate means of effectuating the foregoing conclusions.

It is hereby ordered, That all of this decision, except the attached marketing agreement, be published in the FEDERAL REGISTER. The regulatory provisions of said marketing agreement are identical with those contained in the order as hereby proposed to be amended by the attached order which will be published with this decision.

Determination of representative period. The month of May 1964 is hereby determined to be the representative period for the purpose of ascertaining whether the issuance of the attached order, as amended and as hereby proposed to be amended, amending the order regulating the handling of milk in the Fort Wayne, Indiana, marketing area, is approved or favored by producers, as defined under the terms of the order, as amended and as hereby proposed to be amended, and who, during such representative period, were engaged in the production of milk for sale within the aforesaid marketing area.

Signed at Washington, D.C., on August 19, 1964.

GEORGE L. MEHREN,
Assistant Secretary.

Order[1] Amending the Order Regulating the Handling of Milk in the Fort Wayne, Indiana, Marketing Area

§ 1047.0 **Findings and determinations.**

The findings and determinations hereinafter set forth are supplementary and in addition to the findings and determinations previously made in connection with the issuance of the aforesaid order and of the previously issued amendments thereto; and all of said previous findings and determinations are hereby ratified and affirmed, except insofar as such findings and determinations may be in conflict with the findings and determinations set forth herein.

(a) *Findings upon the basis of the hearing record.* Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601 et seq.), and the applicable rules of practice and procedure governing the formulation of marketing agreements and marketing orders (7 CFR Part 900), a public hearing was held upon certain proposed amendments to the tentative marketing agreement and to the order regulating the handling of milk in the Fort Wayne, Indiana, marketing area. Upon the basis of the evidence introduced at such hearing and the record thereof, it is found that:

(1) The said order as hereby amended, and all of the terms and conditions thereof, will tend to effectuate the declared policy of the Act;

(2) The parity prices of milk, as determined pursuant to section 2 of the Act, are not reasonable in view of the price of feeds, available supplies of feeds, and other economic conditions which affect market supply and demand for milk in the said marketing area, and the minimum prices specified in the order as hereby amended, are such prices as will reflect the aforesaid factors, insure a sufficient quantity of pure and wholesome milk, and be in the public interest;

(3) The said order as hereby amended, regulates the handling of milk in the same manner as, and is applicable only to persons in the respective classes of industrial or commercial activity specified in, a marketing agreement upon which a hearing has been held.

Order relative to handling. It is therefore ordered, That on and after the effective date hereof, the handling of milk in the Fort Wayne, Indiana, marketing area shall be in conformity to and in compliance with the terms and conditions of the aforesaid order, as amended and as hereby amended, as follows:

The provisions of the proposed marketing agreement and order amending the order contained in the recommended decision issued by the Deputy Administrator, Regulatory Programs, on August 10, 1964, and published in the FEDERAL REGISTER on August 13, 1964 (29 F.R. 11600; F.R. Doc. 64-8188), shall be and are the terms and provisions of this order, and are set forth in full herein.

Section 1047.14 is revised to read as follows:

§ 1047.14 **Producer milk.**

Producer milk means all skim milk and butterfat which is:

(a) Physically received at a pool plant directly from producers; or

(b) Diverted by the operator of a pool plant or by a cooperative association, subject to the following conditions:

(1) The operator of a pool plant may divert the milk production of a producer to the pool plant of another handler for not more than one-half of the days of production during the month.

(2) During January through August the operator of a pool plant or a cooperative association may divert the milk production of a producer from a pool plant

[1] This order shall not become effective unless and until the requirements of § 900.14 of the rules of practice and procedure governing proceedings to formulate marketing agreements and marketing orders have been met.

to a nonpool plant (other than that of a producer-handler) on any number of days during the month.

(3) During September through December the milk of a producer which may be diverted to a nonpool plant (other than that of a producer-handler) by the operator of a pool plant or a cooperative association, respectively, shall be limited to the amounts specified in subdivisions (i) and (ii) of this subparagraph:

(i) The operator of a pool plant may divert the milk of producers (except producer members of a cooperative association which is diverting milk under the percentage limit of subdivision (ii) of this subparagraph) on not more than one-half of the days of production of each such producer, respectively, or he may divert an aggregate quantity not exceeding 35 percent of the milk of all such producers whose milk has been received at his pool plant(s) for at least one day during the month.

(ii) A cooperative association may divert the milk of its individual member producers on not more than one-half of the days of production of each such producer, respectively, or it may divert an aggregate quantity of the milk of member producers whose milk has been received at pool plants for at least one day during the month not exceeding 35 percent of all such milk either caused to be delivered to pool plants or diverted to nonpool plants by the cooperative association.

(4) When milk is diverted in excess of the limit by a handler who elects to divert on the basis of days-of-production only that milk of the individual producer which was received at a pool plant or which was diverted to a nonpool plant for not more than one-half of the days-of-production shall be considered producer milk. Should milk be diverted to a nonpool plant in excess of the percentage limit by a handler who elects to divert on a percentage basis, eligibility as producer milk shall be forfeited on a quantity of milk equal to such excess. In such instances the diverting handler shall specify the dairy farmers whose milk is ineligible as producer milk. If a handler fails to designate such dairy farmers whose milk is ineligible, producer milk status shall be forfeited with respect to all milk diverted to nonpool plants by such handler.

(5) Milk diverted for the account of the operator of a pool plant shall be considered to have been received at the pool plant from which diverted and milk diverted for the account of a cooperative association shall be considered to have been received at the location of the pool plant from which diverted.

[F.R. Doc. 64-8582; Filed, Aug. 24, 1964; 8:46 a.m.]

FEDERAL TRADE COMMISSION

[16 CFR Part 410]

DECEPTION AS TO SIZES OF VIEWABLE PICTURES SHOWN BY TELEVISION RECEIVING SETS

Notice of Proposed Rule Making

Notice is hereby given that the Federal Trade Commission, pursuant to the Federal Trade Commission Act, as amended, 15 U.S.C. 41, et seq., and the provisions of Part 1, Subpart F of the Commission's procedures and rules of practice, 28 F.R. 7083-84 (July 1963), has initiated a proceeding for the promulgation of a Trade Regulation Rule regarding deception as to sizes of viewable pictures shown by television receiving sets § 410.1 *Deception as to the sizes of viewable pictures shown by television receiving sets.*

(a) The Commission has initiated this proceeding having reason to believe that: (1) Marketers of television receiving sets have engaged in the practice of designating the sizes of such sets in terms of the over-all dimensions (actual picture area plus thickness of the walls) of the picture tubes used in such sets, which sizes are invariably larger than the actual viewable pictures shown by the sets; (2) this practice has the capacity and tendency (i) to mislead and deceive purchasers into believing that the viewable picture area of the television receiving sets so described is larger than is the fact, a matter of importance to the consumer, and (ii) to divert business from competitors who nondeceptively describe the sizes of the pictures shown by their television receiving sets; and that, therefore, (3) this practice constitutes an unfair method of competition in commerce and an unfair and deceptive act or practice in commerce, in violation of section 5 of the Federal Trade Commission Act.

(b) Accordingly, the Commission proposes the following Trade Regulation Rule:

(c) In connection with the sale of television receiving sets in commerce, as "commerce" is defined in the Federal Trade Commission Act, it is an unfair method of competition and an unfair and deceptive act or practice to use any figure or size designation to refer to the size of a television receiving set or the picture tube contained therein unless such indicated size is the actual size of the viewable picture area measured on a single plane basis. If the indicated size is other than the horizontal dimension of the actual viewable picture area such size designation shall be accompanied by a statement clearly showing the manner of measurement.

(d) Examples of proper size descriptions when a television receiving set shows a 20 inch picture measured diagonally, a 19 inch picture measured horizontally, a 15 inch picture measured vertically, and a picture area of 262 square inches include:

"262 square inch picture" or
"20 inch picture measured diagonally" or
"19 inch x 15 inch picture" or
"19 inch picture" or
"19 inch".

(e) Examples of improper size descriptions of a television set showing a picture of the size described above include:

"21 inch set" or
"21 inch diagonal set" or
"21 inch overall diagonal—262 square inch picture" or
"Brand Name 21".

All interested persons, including the consuming public, are hereby notified that they may file written data, views or arguments concerning the proposed rule with the Chief, Division of Trade Regulation Rules, Bureau of Industry Guidance, Federal Trade Commission, Pennsylvania Avenue at Sixth Street NW., Washington, D.C., 20580, not later than November 10, 1964. Such written data, views or arguments should be filed in duplicate.

All interested parties are also hereby given notice of opportunity to orally present data, views or arguments with respect to the proposed rule at a hearing to be held at 10 a.m., e.d.t., on October 20, 1964 in Room 332 of the Federal Trade Commission Building, Washington, D.C.

The data, views or arguments presented orally or in writing relating to the proposed rule will be available for examination by interested parties at the office of the Federal Trade Commission, Washington, D.C., and will be considered by the Commission in the establishment of a Trade Regulation Rule.

All persons, firms, corporations, or others engaged in the sale or distribution of television receiving sets in commerce, as "commerce" is defined in the Federal Trade Commission Act, would be subject to the requirements of any Trade Regulation Rule promulgated in the course of this proceeding.

Where a Trade Regulation Rule is relevant to any issue involved in an adjudicative proceeding thereafter instituted, the Commission may rely upon the rule to resolve such issue, provided that the respondent shall have been given a fair hearing on the legality and propriety of applying the rule to the particular case.

Trade Regulation Rules express the experience and judgment of the Commission based on facts of which it has knowledge derived from studies, reports, investigations, hearings, and other proceedings, or within official notice concerning the substantive requirements of the statutes which it administers.

Advertising and sales promotional literature used in promoting the sale of television receiving sets indicate that the practice which would be prohibited by the proposed rule is widespread in the industry. This proceeding is designed to inform all industry members of their obligations under the law and assure equitable treatment in complying with the law.

All interested parties, including the consuming public, are urged to express their approval or disapproval of the proposed rule and give a full statement of their views in connection therewith.

Issued: August 24, 1964.

By the Commission.

[SEAL] JOSEPH N. KUZEW, *Acting Secretary.*

[F.R. Doc. 64-8518; Filed, Aug. 24, 1964; 8:45 a.m.]

Notices

DEPARTMENT OF THE INTERIOR

Bureau of Indian Affairs

[Bureau Order 551, Amdt. 91]

SPECIFIC LEGISLATION

Redelegation of Authority With Respect to Functions; Correction

In F.R. document 64-7056 appearing at page 9634 of the issue for Thursday, July 16, 1964, the section number mentioned in the first paragraph and in the section title should read "373" rather than "273."

GRAHAM HOLMES,
Acting Deputy Assistant Commissioner.

AUGUST 12, 1964.

[F.R. Doc. 64-8593; Filed, Aug. 24, 1964; 8:47 a.m.]

[Billings Area Office Redelegation Order 1, Amdt. 16]

SUPERINTENDENTS AND PROJECT ENGINEER

Redelegation of Authority; Functions Relating to Law and Order

AUGUST 17, 1964.

Part 2 of the Billings Area Office Redelegation Order 2, as amended, is further amended by the addition of section 2.152, Indian Court Sentences, under the heading "Functions Relating to Law and Order" to read as follows:

PART 2—AUTHORITY OF SUPERINTENDENTS, AND PROJECT ENGINEER

FUNCTIONS RELATING TO LAW AND ORDER

SEC. 2.152 *Indian Court Sentences.* The approval of sentences imposed on Indian employees of the Bureau of Indian Affairs by Courts of Indian Offenses as provided in 25 CFR 11.2(d), and by tribal courts as provided by any law and order code.

JOHN O. CROW,
Acting Commissioner.

[F.R. Doc. 64-8594; Filed, Aug. 24, 1964; 8:47 a.m.]

Geological Survey

[Idaho No. 11]

IDAHO

Phosphate Land Classification Order

Pursuant to authority under the Act of March 3, 1879 (20 Stat. 394; 43 U.S.C. 31), and as delegated to me by Departmental Order 2563 of May 2, 1950, under authority of Reorganization Plan No. 3 of 1950, (64 Stat. 1262), the following described lands, insofar as title thereto remains in the United States, are hereby classified as shown:

BOISE MERIDIAN, IDAHO

PHOSPHATE LANDS

T. 1 N., R. 42 E.,
Sec. 1, lots 1 and 2, S½NE¼, E½SE¼.

NONPHOSPHATE LANDS

T. 1 N., R. 42 E.,
Sec. 1, lots 3 and 4, S½NW¼, SW¼, W½ SE¼;
Secs. 2 through 18;
Sec. 19, NE¼;
Sec. 20, NE¼, NW¼, SE¼;
Secs. 21 through 26;
Sec. 27, NE¼, NW¼, SE¼;
Sec. 28, NE¼;
Sec. 35, NE¼;
Sec. 36, NE¼, NW¼, SE¼.

The phosphate lands total about 215 acres; the nonphosphate, 16,635 acres; together totalling 16,850 acres, more or less.

ARTHUR A. BAKER,
Acting Director.

AUGUST 17, 1964.

[F.R. Doc. 64-8578; Filed, Aug. 24, 1964; 8:46 a.m.]

Office of the Secretary

RUSSELL V. KNAPP

Statement of Changes in Financial Interests

In accordance with the requirements of section 710(b)(6) of the Defense Production Act of 1950, as amended, and Executive Order 10647 of November 28, 1955, the following changes have taken place in my financial interests during the past six months:

(1) None.
(2) None.
(3) None.
(4) None.

This statement is made as of July 30, 1964.

Dated: July 30, 1964.

RUSSELL V. KNAPP.

[F.R. Doc. 64-8579; Filed, Aug. 24, 1964; 8:46 a.m.]

DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

ALTOONA STOCKYARDS, INC., ET AL.

Proposed Posting of Stockyards

The Chief of the Rates and Registrations Branch, Packers and Stockyards Division, Agricultural Marketing Service, U.S. Department of Agriculture, has information that the livestock markets named below are stockyards as defined in section 302 of the Packers and Stockyards Act, 1921, as amended (7 U.S.C. 202), and should be made subject to the provisions of the Act.

Altoona Stockyards, Inc., Altoona, Ala.
Logan County Livestock Auction, Magazine, Ark.
Daytona Horse Sales, Inc., Daytona Beach, Fla.
Hoxie Livestock Sale, Hoxie, Kans.
Bode Livestock Commission Co., Bryan, Tex.

Notice is hereby given, therefore, that the said Chief, pursuant to authority delegated under the Packers and Stockyards Act, 1921, as amended (7 U.S.C. 181 et seq.), proposes to issue a rule designating the stockyards named above as posted stockyards subject to the provisions of the Act, as provided in section 302 thereof.

Any person who wishes to submit written data, views or arguments concerning the proposed rule may do so by filing them with the Chief, Rates and Registrations Branch, Packers and Stockyards Division, Agricultural Marketing Service, U.S. Department of Agriculture, Washington 25, D.C., within 15 days after publication hereof in the FEDERAL REGISTER.

All written submissions made pursuant to this notice will be made available for public inspection at such times and places in a manner convenient to the public business (7 CFR 1.27(b)).

Done at Washington, D.C., this 20th day of August 1964.

H. L. JONES,
Chief, Rates and Registrations Branch, Packers and Stockyards Division, Agricultural Marketing Service.

[F.R. Doc. 64-8602; Filed, Aug. 24, 1964; 8:48 a.m.]

Office of the Secretary

SOUTH DAKOTA AND TEXAS

Designation of Areas for Emergency Loans

For the purpose of making emergency loans pursuant to section 321 of the Consolidated Farmers Home Administration Act of 1961 (7 U.S.C. 1961), it has been determined that in the hereinafter-named counties in the States of South Dakota and Texas natural disasters have caused a need for agricultural credit not readily available from commercial banks, cooperative lending agencies, or other responsible sources.

SOUTH DAKOTA

Hand.	Hyde.

TEXAS

Collin.	Harrison.
Collingsworth.	Hill.
Colorado.	Motley.
Fayette.	Nacogdoches.
Freestone.	Yoakum.

Pursuant to the authority set forth above, emergency loans will not be made in the above-named counties after June 30, 1965, except to applicants who previously received emergency or special livestock loan assistance and who can qualify under established policies and procedures.

Done at Washington, D.C., this 20th day of August 1964.

ORVILLE L. FREEMAN,
Secretary.

[F.R. Doc. 64-8600; Filed, Aug. 24, 1964; 8:48 a.m.]

DEPARTMENT OF COMMERCE

Maritime Administration

[Report 38]

LIST OF FREE WORLD AND POLISH FLAG VESSELS ARRIVING IN CUBA SINCE JANUARY 1, 1963

SECTION 1. The Maritime Administration is making available to the appropriate Departments the following list of vessels which have arrived in Cuba since January 1, 1963, based on information received through August 10, 1964, exclusive of those vessels that called at Cuba on United States Government-approved noncommercial voyages and those listed in section 2. Pursuant to established United States Government policy, the listed vessels are ineligible to carry United States Government-financed cargoes from the United States.

FLAG OF REGISTRY, NAME OF SHIP	Gross tonnage
Total—All flags (240 ships)	1,767,694
British (88 ships)	709,611
Amalia	7,189
Amazon River	7,234
Ardenode	7,036
Ardgem	6,981
Ardmore	4,664
*Ardpatrick	7,054
Ardrowan	7,300
Ardsirod	7,025
**Arlington Court (now Southgate—British flag).	
Athelcrown (Tanker)	11,149
Athelduke (Tanker)	9,089
Athelmere (Tanker)	7,524
Athelmonarch (Tanker)	11,182
Athelsultan (Tanker)	9,149
Avisfaith	7,868
Baxtergate	8,813
Canuk Trader	7,151
Cedar Hill	7,156
Chipbee	7,271
**Cosmo Trader (trip to Cuba under ex-name, Ivy Fair—British flag).	
Dairen	4,939
Denmark Hill	7,150
East Breeze	8,708
Eastfortune	8,789
Eirini	7,402
Elm Hill	7,125
Free Enterprise	6,807
Free Merchant	5,237
Garthdale	7,542
Grosvenor Mariner	7,026
Hazelmoor	7,907
Hemisphere	8,718
Ho Fung	7,121
Inchstaffa	5,255
**Ivy Fair (now Cosmo Trader—British flag)	7,201
Kinross	5,388
**Kirriemoor (now Jhelum—Pakistani flag)	5,923
La Hortensia	9,486
Linkmoor	8,236
London Endurance (Tanker)	10,081
London Glory (Tanker)	10,081
London Harmony (Tanker)	13,157
London Majesty (Tanker)	12,132
London Pride (Tanker)	10,776
London Spirit (Tanker)	10,176
London Splendour (Tanker)	16,195

*Added to Report No. 37, appearing in the FEDERAL REGISTER issue of August 8, 1964.

**Ships appearing on the list that have been scrapped or have had changes in name and/or flag of registry.

FLAG OF REGISTRY, NAME OF SHIP—Continued	Gross tonnage
British—Continued	
London Valour (Tanker)	16,268
Maple Hill	7,139
Maratha Enterprise	7,166
Muswell Hill	7,131
Nancy Dee	6,597
Newdene	7,181
Newforest	7,185
Newgate	6,743
Newgrove	7,172
Newheath	5,891
Newhill	7,855
Newlane	7,043
Newmeadow	5,654
Oak Hill	7,139
Oceantramp	6,185
Oceantravel	10,477
Overseas Explorer (Tanker)	16,267
Overseas Pioneer (Tanker)	16,267
Peony	9,037
Redbrook	7,388
Ruthy Ann	7,361
Sandsend	7,236
Santa Granda	7,229
Sea Coral	10,421
Sea Empress	10,074
Shienfoon	7,127
Shun Fung	7,148
Soclyve	7,291
**Southgate (previous trips to Cuba under ex-name, Arlington Court—British flag	9,662
Stanwear	8,108
Streatham Hill	7,130
Sudbury Hill	7,140
Suva Breeze	4,970
Swift River	7,251
Sycamore Hill	7,124
Thames Breeze	7,878
**Timios Stavros (previous trips to Cuba under Greek flag)	5,269
Venice	8,611
Vercharmian	7,265
Vergmont	7,381
West Breeze	8,718
Yungfutary	5,388
Yunglutaton	5,414
Zela M	7,237
Greek (43 ships)	342,576
Agios Therapon	5,617
Akastos	7,331
Aldebaran (Tanker)	12,897
Alice	7,189
**Ambassade (sold Hong Kong shipbreakers)	8,600
Americana	7,104
Anacreon	7,359
Anatoli	7,178
**Andromachi (trips to Cuba under ex-name, Penelope—Greek flag).	
Antonia	5,171
Apollon	9,744
Armathia	7,091
Athanassios K	7,216
Barbarino	7,084
Calliopi Michalos	7,249
Capetan Petros	7,291
**Embassy (broken up)	8,418
Everest	7,031
Flora M	7,244
Galini	7,266
Gloria	7,128
Irena	7,232
Istros II	7,275
Kapetan Kostis	5,032
Kyra Hariklia	6,888
Maria Theresa	7,245
Marigo	7,147
Maroudio	7,369
Mastro-Stelios II	7,282
**Nicholaos F. (previous trip to Cuba under ex-name, Nicolas Frangistas—Greek flag).	

FLAG OF REGISTRY, NAME OF SHIP—Continued	Gross tonnage
Greek—Continued	
**Nicolaos Frangistas (now Nicolaos F.—Greek flag)	7,199
**Pamit (now Christos—Lebanese flag)	3,929
Pantanassa	7,131
Paxoi	7,144
**Penelope (now Andromachi—Greek flag)	6,712
Perseus (Tanker)	15,852
**Plate Trader (trip to Cuba under ex-name, Stylianos N. Vlassopulos—Greek flag).	
**Presvia (broken up)	10,820
Propontis	7,128
Proteus (Tanker)	16,718
Redestos	5,911
**Seirios (sold Japanese shipbreakers)	7,239
Sirius (Tanker)	16,241
**Stylianos N. Vlassopulos (now Plate Trader—Greek flag)	7,244
**Timios Stavros (now British flag).	
Tina	7,362
Western Trader	9,268
Lebanese (55 ships)	366,896
Agia Sophia	3,106
Aiolos II	7,256
Ais Giannis	6,997
Akamas	7,285
Al Amin	7,186
Alaska	6,989
Anthas	7,044
Antonis	6,259
Ares	4,557
Areti	7,176
Aristefs	6,995
Astir	5,324
Athamas	4,729
Carnation	4,884
**Christos (trip to Cuba under ex-name, Pamit—Greek flag).	
Claire	5,411
Cris	6,032
Dimos	7,187
Free Trader	7,067
Giorgos Tsakiroglou	7,240
Granikos	7,282
Ilena	5,925
Ioannis Aspiotis	7,297
Kalliopi D. Lemos	5,103
Kapetanissa	7,281
Katerina	9,357
Leftric	7,176
Malou	7,145
Mantric	7,255
Marichristina	7,124
Marymark	4,383
Mersinidi	6,782
Mimosa	7,314
Mousse	6,984
Nictric	7,296
Noelle	7,251
Noemi	7,070
Olga	7,199
Panagos	7,133
Parmarina	6,721
**Razani (broken up)	7,253
Rio	7,194
St. Anthony	5,349
St. Nicolas	7,165
San George	7,267
San John	5,172
San Spyridon	7,260
Stevo	7,066
Tertric	7,045
*Theodoros Lemos	7,198
Theologos	6,529
Toula	4,561
Vassiliki	7,192
Vastric	6,463
Vergolivada	6,339
Yanxilas	10,051

FLAG OF REGISTRY, NAME OF SHIP—Continued

	Gross tonnage
Polish (13 ships)	87,426
Baltyk	6,963
Bialystok	7,173
Bytom	5,967
Chopin	6,987
Chorzow	7,237
Huta Florian	7,258
Huta Labedy	7,221
Huta Ostrowiec	7,176
Huta Zgoda	6,840
Kopalnia Miechowice	7,223
Kopalnia Siemianowice	7,165
Kopalnia Wujek	7,033
Piast	3,184
Italian (11 ships)	92,729
Achille	6,950
Agostino Bertani	8,380
Andrea Costa (Tanker)	10,440
Aspromonte	7,154
Giuseppe Giulietti (Tanker)	17,519
Montiron	1,595
Nazareno	7,173
Nino Bixio	8,427
San Nicola (Tanker)	12,461
Santa Lucia	9,278
*Somalia	3,352
Yugoslav (7 ships)	49,926
Bar	7,233
Cavtat	7,266
Cetinje	7,200
Dugi Otok	6,997
Mojkovac	7,125
Promina	6,960
**Trebisnjica (wrecked)	7,145
Spanish (5 ships)	6,193
Escorpion	999
Sierra Andia	1,596
Sierra Aranzazu	1,600
Sierra Madre	999
Sierra Maria	999
Norwegian (4 ships)	34,503
Lovdal (Tanker)	12,764
Ole Bratt	5,252
Polyclipper (Tanker)	11,737
**Tine (now Jezreel—Panamanian flag)	4,750
French (4 ships)	11,800
Circe	2,874
Enee	1,232
Mungo	4,820
Nelee	2,874
Moroccan (5 ships)	35,828
Atlas	10,392
Banora	3,082
Marrakech	3,214
Mauritanie	10,392
Toubkal	8,748
Swedish (3 ships)	17,123
Amfred	2,828
**Atlantic Friend (now Atlantic Venture—Liberian flag)	7,805
Dagmar	6,490
Finnish (1 ship):	
Valny (Tanker)	11,691

*Added to Report No. 37, appearing in the FEDERAL REGISTER issue of August 8, 1964.

**Ships appearing on the list that have been scrapped or have had changes in name and/or flag of registry.

Kuwaiti (1 ship):	
Maha	1,392

FLAG OF REGISTRY, NAME OF SHIP—Continued

Gross tonnage

Liberian:
**Atlantic Venture (trip to Cuba under ex-name, Atlantic Friend—Swedish flag).

Panamanian:
**Jezreel (trip to Cuba under ex-name, Tine—Norwegian flag).

Pakistani:
**Jhelum (trip to Cuba under ex-name, Kirriemoor—British flag).

SEC. 2. In accordance with approved procedures, the vessels listed below which called at Cuba after January 1, 1963, have reacquired eligibility to carry United States Government-financed cargoes from the United States by virtue of the persons who control the vessels having given satisfactory certification and assurance:

(a) That such vessels will not, thenceforth, be employed in the Cuba trade so long as it remains the policy of the United States Government to discourage such trade; and

(b) That no other vessels under their control will thenceforth be employed in the Cuba trade, except as provided in paragraph (c); and

(c) That vessels under their control which are covered by contractual obligations, including charters, entered into prior to December 16, 1963, requiring their employment in the Cuba trade shall be withdrawn from such trade at the earliest opportunity consistent with such contractual obligations.

FLAG OF REGISTRY AND NAME OF SHIP

a. Since last report:

	Gross tonnage
British (2 ships):	
Beech Hill	7,150
Mulberry Hill	7,121
French (1 ship):	
Guinee (now Comfort, Nationalist Chinese flag)	3,048

b. Previous reports:

Flag of registry:	Number of ships
British	11
Danish	1
German (West)	1
Greek	16
Italian	5
Japanese	1
Norwegian	2
Spanish	1

SEC. 3. The ships listed in sections 1 and 2 have made the following number of trips to Cuba since January 1, 1963, based on information received through August 10, 1964:

Flag of registry	Number of Trips										
	1963		1964								
	Jan.-June	July-Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Total
British	66	67	15	7	21	20	18	18	17		249
Greek	55	44	1	5	3		6	1			115
Lebanese	28	36	6	4	13	8	8	10	7	1	121
Italian	10	6	1		1	3	1	4	1		27
Norwegian	9	5	2	1		1	2	1			21
Spanish	2	6		3		3		2	2		18
Yugoslav	6	6	1	1	1	1			3		19
Moroccan	2	7		2			2	1	2		16
French		8				1			2		11
Swedish	2	1						2			5
Danish	1										1
Finnish	1										1
German (West)	1										1
Japanese	1										1
Kuwaiti									1		1
Subtotal	184	186	26	23	39	37	37	39	35	1	607
Polish	10	8	1	3	1	2		2	1		28
Grand total	194	194	27	26	40	39	37	41	36	1	635

NOTE: Trip totals in this section exceed ship totals in sections 1 and 2 because some of the ships made more than one trip to Cuba.

Dated: August 12, 1964.

GEORGE R. GRIFFITHS,
Acting Deputy Maritime Administrator.

[F.R. Doc. 64-8585; Filed, Aug. 24, 1964; 8:46 a.m.]

Office of the Secretary

ROBERT JOSEPH WILLIAMS

Statement of Changes in Financial Interests

In accordance with the requirements of section 710(b)(6) of the Defense Production Act of 1950, as amended, and Executive Order 10647 of November 28, 1955, the following changes have taken place in my financial interests as reported in the FEDERAL REGISTER during the past six months:

A. Deletions: Anaconda Company, American Zink.

B. Additions: American Seating, Great Lakes Bowling, Accompaniments Unlimited, Inc.

This statement is made as of July 30, 1964.

ROBERT JOSEPH WILLIAMS.

JULY 31, 1964.

[F.R. Doc. 64-8599; Filed, Aug. 24, 1964; 8:48 a.m.]

CIVIL AERONAUTICS BOARD

[Docket 11933]

AEROLINEAS ARGENTINAS

Notice of Hearing

The application, as amended, of Aerolineas Argentinas for additional authority to engage in foreign air transportation with respect to persons, property, and mail between Buenos Aires (and/or Cordoba, and/or Salta) in Argentina, the intermediate points Antofagasta, Chile (or La Paz, Bolivia); Lima, Peru; and Guayaquil, Ecuador (and/or Tocumen, Panama) or Caracas, Venezuela, and the terminal point Miami, Florida.

Notice is hereby given, pursuant to the provisions of the Federal Aviation Act of 1958, as amended, that a hearing in the above-entitled proceeding will be held on September 2, 1964, at 10:00 a.m., e.d.s.t., in Room 1027, Universal Building, Connecticut and Florida Avenues NW., Washington, D.C., before the undersigned Examiner.

For information concerning the issues involved and other details of this proceeding, interested persons are referred to the report of prehearing and supplemental prehearing conference held on April 14 and June 1, 1964, and other documents which are in the docket of this proceeding on file in the Docket Section of the Civil Aeronautics Board.

Dated at Washington, D.C., August 19, 1964.

[SEAL] LESLIE G. DONAHUE, *Hearing Examiner.*

[F.R. Doc. 64-8562; Filed, Aug. 24, 1964; 8:45 a.m.]

[Docket 11143, etc.]

DETROIT-CALIFORNIA NONSTOP SERVICE INVESTIGATION

Notice of Hearing

Notice is hereby given, pursuant to the provisions of the Federal Aviation Act of 1958, as amended, that a hearing in the above-entitled proceeding will be held on September 14, 1964, at 10:00 a.m., e.d.s.t., in Room 607, Universal Building, 1825 Connecticut Avenue NW., Washington, D.C., before the undersigned.

For information concerning the issues involved and other details in this proceeding, interested persons are referred to the prehearing conference report served on June 9, 1964, and other documents which are in the docket of this proceeding on file in the Docket Section of the Civil Aeronautics Board.

Dated at Washington, D.C., August 18, 1964.

[SEAL] WILLIAM J. MADDEN, *Hearing Examiner.*

[F.R. Doc. 64-8563; Filed, Aug. 24, 1964; 8:45 a.m.]

[Docket 15468]

HUNTSVILLE-NEW ORLEANS NONSTOP SERVICE INVESTIGATION

Notice of Prehearing Conference

Notice is hereby given that a prehearing conference in the above-entitled proceeding (see Order E-21198) is assigned to be held on September 1, 1964, at 10:00 a.m., e.d.s.t., in Room 911, Universal Building, Florida and Connecticut Avenues NW., Washington, D.C., before Examiner William J. Madden.

Dated at Washington, D.C., August 19, 1964.

[SEAL] FRANCIS W. BROWN, *Chief Examiner.*

[F.R. Doc. 64-8564; Filed, Aug. 24, 1964; 8:45 a.m.]

[Docket 13777; Order No. E-21203]

INTERNATIONAL AIR TRANSPORT ASSOCIATION

Order and Agreement Relating to Specific Commodity Rates

Adopted by the Civil Aeronautics Board at its office in Washington, D.C., on the 18th day of August, 1964.

There has been filed with the Board, pursuant to section 412(a) of the Federal Aviation Act of 1958 (the Act) and Part 261 of the Board's Economic Regulations, an agreement between various air carriers, foreign air carriers, and other carriers, embodied in the resolutions of Traffic Conference 1 of the International Air Transport Association (IATA), and adopted pursuant to the provisions of Resolution 590 (Commodity Rates Board).

The agreement, adopted pursuant to unprotested notices to the carriers and promulgated in IATA memoranda, names additional rates as set forth below:

Agreement C.A.B. 17666	IATA memorandum	Commodity item	Rates
R-50	TC1/Rates 2020.	0006	16 cents per kilogram; minimum weight, 500 kilograms; Managua to Los Angeles/San Francisco.
R-51	TC1/Rates 2023.	0380	15 cents per kilogram; minimum weight, 1,000 kilograms; Panama City to Houston.

The Board, acting purusant to sections 102, 204(a), and 412 of the Act, does not find the subject agreement to be adverse to the public interest or in violation of the Act, provided that approval thereof is conditioned as hereinafter ordered.

Accordingly, it is ordered, That Agreement C.A.B. 17666, R-50 and R-51, be and hereby is approved, provided that such approval shall not constitute approval of the specific commodity descriptions contained therein for purposes of tariff publication.

Any air carrier party to the agreement, or any interested person, may, within 15 days from the date of service of this order, submit statements in writing containing reasons deemed appropriate, together with supporting data, in support of or in opposition to the Board's action herein. An original and nineteen copies of the statements should be filed with the Board's docket section. The Board may, upon consideration of any such statements filed, modify or rescind its action herein by subsequent order.

This order will be published in the FEDERAL REGISTER.

By the Civil Aeronautics Board.

[SEAL] HAROLD R. SANDERSON, *Secretary.*

[F.R. Doc. 64-8566; Filed, Aug. 24, 1964; 8:45 a.m.]

[Docket 13777; Order No. E-21202]

INTERNATIONAL AIR TRANSPORT ASSOCIATION

Order and Agreement Relating to Specific Commodity Rates

Adopted by the Civil Aeronautics Board at its office in Washington, D.C., on the 18th day of August 1964.

There has been filed with the Board, pursuant to section 412(a) of the Federal Aviation Act of 1958 (the Act) and Part 261 of the Board's Economic Regulations, an agreement between various air carriers, foreign air carriers, and other carriers, embodied in the resolutions of Joint Conference 3-1 of the International Air Transport Association (IATA), and adopted pursuant to the provisions of Resolution 590 (Commodity Rates Board).

The agreement, adopted pursuant to unprotested notices to the carriers and promulgated in IATA memorandum SFO Board/10/JT31-Rates 357 names an additional specific commodity rate as follows:

Item 9242, Parachutes and Drogues and parts thereof.

Rate, 309 cents per kilogram, minimum weight 45 kilograms, from West Coast to Sydney.

The Board, acting pursuant to sections 102, 204(a), and 412 of the Act, does not find the subject agreement to be adverse to the public interest or in violation of the Act, provided that approval thereof is conditioned as hereinafter ordered.

Accordingly, it is ordered, That Agreement C.A.B. 17456, R-10, is approved, provided that such approval shall not constitute approval of the specific commodity description contained therein for purposes of tariff publication.

Any air carrier party to the agreement, or any interested person, may, within 15 days from the date of service of this order, submit statements in writing containing reasons deemed appropriate, together with supporting data, in support of or in opposition to the Board's action herein. An original and nineteen copies of the statements should be filed with the Board's docket section. The Board may, upon consideration of any such statements filed, modify or rescind its action herein by subsequent order.

This order will be published in the FEDERAL REGISTER.

By the Civil Aeronautics Board.

[SEAL] HAROLD R. SANDERSON, *Secretary.*

[F.R. Doc. 64-8567; Filed, Aug. 24, 1964; 8:45 a.m.]

[Docket 15477; Order No. E-21210]

PACIFIC AIR FREIGHT

Order of Investigation and Suspension Relating to Proposed "Parcel-Post" Liability Rule

Adopted by the Civil Aeronautics Board at its office in Washington, D.C., on the 20th day of August 1964.

By tariff revision[1] marked to become effective August 23, 1964, Pacific Air Freight, Inc. (Pacific) proposes to establish a liability rule applicable only to "parcel-post" type traffic. The liability rule specifies that the forwarder's liability for loss or damage regarding any parcel post shipment shall be limited to $5.00 per shipment unless a higher value is declared by the shipper at the time the shipment is received by the forwarder and also establishes a sliding scale of charges for excess valuation. This proposal is similar in many respects to those filed by Pacific and WTC Air Freight (WTC) which were recently ordered investigated and suspended by the Board.[2]

No complaints have been filed.

The services rendered by Pacific are common carrier services irrespective of the carrier's designation of this service as "parcel-post." Such forwarder services have historically been subject to liability rules which contemplate a basic liability on the part of the carrier or forwarder for loss of or damage to any shipment, and afford an opportunity to any shipper to increase the carrier liability by declaring excess valuation and paying an added charge therefor. While the instant tariff rule contains these elements, the basic liability of the carrier for loss or damage would be limited to $5.00 and the charges for excess valuation are on a sliding scale, which reach the level of $5.00 per $100.00. Both the limitation and the rates in the proposed rule appear to be unreasonable and the carrier has submitted no data or information in support of this unusually severe rule for this particular type of traffic.

Upon consideration of the foregoing matters, it appears that the proposed liability rule, affecting the carrier's liability for loss of or damage to any "parcel-post" type shipment and increasing the excess valuation charges therefor, may be unjust and unreasonable, unjustly discriminatory or unduly preferential or prejudicial and therefore should be investigated. In view of the substantial impact which this tariff rule may have upon the shipping public and the novelty of establishing such a significantly different liability rule and increased rate scale for a single type of air freight, the Board finds that the proposal should be suspended pending investigation.

Accordingly, pursuant to the Federal Aviation Act of 1958, and particularly sections 204(a) 403, 404, and 1002 thereof,

It is ordered, That:

1. An investigation be instituted to determine whether the charges and provisions of Rule No. 30 appearing on 4th Revised Page 4 of Pacific Air Freight, Inc., C.A.B. No. 14 are or will be unjust or unreasonable, unjustly discriminatory, unduly preferential, unduly prejudicial or otherwise unlawful and if found to be unlawful to determine and prescribe the lawful charges and provisions.

2. Pending hearing and decision by the Board, Rule No. 30 appearing on 4th Revised Page 4 of Pacific Air Freight, Inc., C.A.B. No. 14 is suspended and its use deferred to and including November 20, 1964, unless otherwise ordered by the Board, and that no changes be made therein during the period of suspension except by order or special permission of the Board.

3. This order be served upon Pacific Air Freight, Inc.

This order will be published in the FEDERAL REGISTER.

By the Civil Aeronautics Board.

[SEAL] HAROLD R. SANDERSON, *Secretary*.

[F.R. Doc. 64-8565; Filed, Aug. 24, 1964; 8:45 a.m.]

[1] Pacific Air Freight, Inc., Rate Tariff No. 4, C.A.B. 14, 4th Revised Page 4, adds Rule 30.

[2] Pacific Air Freight, Inc., Docket 15346 and WTC Air Freight, Docket 15390; these investigations were dismissed following the cancellation of the tariffs by the respective carriers.

FEDERAL COMMUNICATIONS COMMISSION

[Docket Nos. 15417, 15418; FCC 64M-796]

UNITED AUDIO CORP. AND NORTHLAND BROADCASTING CORP.

Order Scheduling Prehearing Conference

In re applications of United Audio Corporation, Rochester, Minn., Docket No. 15417, File No. BPH-3973; Northland Broadcasting Corporation, Rochester, Minn., Docket No. 15418, File No. BPH-3975; for construction permits.

Pursuant to stipulation between counsel arrived at during the session of the prehearing conference in the above-entitled proceeding held on June 10, 1964, with the approval of the Hearing Examiner: *It is ordered*, This 20th day of August 1964, that a further session of the prehearing conference will be held on September 11, 1964, at 10:00 a.m., in the offices of the Commission in Washington, D.C.

Released: August 20, 1964.

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] BEN F. WAPLE, *Secretary*.

[F.R. Doc. 64-8604; Filed, Aug. 24, 1964; 8:48 a.m.]

[Docket Nos. 15476, 15477; FCC 64M-794]

WEZY, INC., AND WKKO RADIO, INC.

Order Continuing Hearing

In re applications of WEZY, Inc., Cocoa, Fla., Docket No. 15476, File No. BPH-4172; WKKO Radio, Inc., Cocoa, Fla., Docket No. 15477, File No. BPH-4173; for construction permits.

The Hearing Examiner has under consideration a motion filed August 12, 1964, on behalf of WKKO Radio, Inc., requesting that the evidentiary hearing now scheduled to begin on September 14, 1964, be continued to October 5, 1964, and that certain procedural dates be extended for a period of one week.

The reason for the requested continuance is to make it unnecessary for the principals of the applicants to be in hearing during certain religious holy days. Counsel for WEZY, Inc., joins in the request for extension of time.

Counsel for both applicants have agreed informally to revise procedural dates to specify the following time schedule:

August 21, 1964: Exchange of written direct case.
September 1, 1964: Notification of witnesses, etc.
September 9, 1964: Exchange of data requested by opposing counsel.
September 11, 1964: Request for additional prehearing conference, if necessary.

The Hearing Examiner approves the above schedule of procedural dates.

It is ordered, This the 19th day of August 1964, that the motion for extension of time is granted, and the date for the start of the evidentiary hearing now scheduled to begin on September 14, 1964, is continued to Monday, October 5, 1964, beginning at 10:00 a.m. in the offices of the Commission, Washington, D.C.

Released: August 20, 1964.

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] BEN F. WAPLE, *Secretary*.

[F.R. Doc. 64-8605; Filed, Aug. 24, 1964; 8:48 a.m.]

FEDERAL POWER COMMISSION

[Docket RI64-451 etc.]

AZTEC OIL & GAS CO. ET AL.

Order Providing for Hearings on and Suspension of Proposed Changes in Rates; Correction

AUGUST 13, 1964.

Aztec Oil & Gas Company, et al., Docket Nos. RI64-51, etc.; The Atlantic Refining Company, Docket No. RI64-454.

In the order providing for hearings on and suspension of proposed changes in rates, issued December 26, 1963, and published in the FEDERAL REGISTER January 7, 1964 (F.R. Doc. 64-14; 29 F.R. 157), in chart after Docket No. RI64-454, The Atlantic Refining Company, Rate Schedule No. 279 Supplement No. 4, correct purchaser to read "Southern Union Gathering Company" in lieu of "El Paso Natural Gas Company".

GORDON M. GRANT, *Acting Secretary*.

[F.R. Doc. 64-8571; Filed, Aug. 24, 1964; 8:45 a.m.]

[Docket Nos. CP64-115, CP64-166]

COLORADO INTERSTATE GAS CO.

Notice of Applications

AUGUST 18, 1964.

Take notice that on November 21, 1963, Colorado Interstate Gas Company (Applicant), Colorado Springs National Bank Building, Colorado Springs, Colorado, filed in Docket No. CP64-115 an application pursuant to section 7(c) of the Natural Gas Act (Act) for a certificate of public convenience and necessity authorizing the construction and operation of approximately 4.5 miles of 4- and 6-inch gathering lines, and dehydrating, metering, and regulating facilities necessary to attach approximately 15,585 MMcf of recoverable natural gas reserves to be purchased from three producers who have filed applications for authorization to make the related sales, in the Wamsutter Field in Sweetwater County, Wyoming, and to deliver such gas into Applicant's existing 22-inch Wyoming transmission line, all as more fully set forth in the application which is on file with the Commission and open to public inspection.

The total estimated cost of the facilities proposed under Docket No. CP64-115 is $90,600, which will be financed out of current working funds.

Take further notice that on January 27, 1964, as supplemented on March 16, 1964, Applicant filed in Docket No. CP64-166 an application pursuant to section 7(c) of the Act for a certificate of public convenience and necessity authorizing the construction and operation of one main line valve and one check meter station to enable Applicant to receive at its main transmission line natural gas from a proposed gathering system in Desert Springs Field in Sweetwater County, Wyoming, where Applicant has contracted to take gas reserves of approximately 119,573 MMcf to be purchased at the wellhead from nine producers who have filed applications for authorization to make the related sales. This application and supplement are likewise on file with the Commission and open to public inspection.

The total estimated cost of the facilities proposed under Docket No. CP64-166 is $15,650, which will be financed out of current working funds. Applicant's related proposed gathering system is estimated to cost $1,362,800.

These matters should be disposed of as promptly as possible under the applicable rules and regulations and to that end:

Take further notice that preliminary staff analysis has indicated that there are no problems which would warrant a recommendation that the Commission designate these applications for formal hearing before an examiner and that, pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act, and the Commission's rules of practice and procedure, a hearing may be held without further notice before the Commission on these applications provided no protest or petition to intervene is filed within the time required herein. Where a protest or petition for leave to intervene is timely filed, or where the Commission on its own motion believes that a formal hearing is required, further notice of such hearing will be duly given.

Under the procedure herein provided for, unless otherwise advised, it will be unnecessary for Applicant to appear or be represented at the hearing.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington, D.C., 20426, in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) on or before September 10, 1964.

JOSEPH H. GUTRIDE,
Secretary.

[F.R. Doc. 64-8572; Filed, Aug. 24, 1964; 8:45 a.m.]

[Docket Nos. RI65-101, etc.]

GULF OIL CORP.

Order Providing for Hearings on and Suspension of Proposed Changes in Rates; Correction

AUGUST 13, 1964.

In the order providing for hearings on and suspension of proposed changes in rates, issued July 31, 1964, and published in the FEDERAL REGISTER August 11, 1964 (F.R. Doc. 64-7979; 29 F.R.-11512-11514) correct Supplement No. "2" to read "12" in the last item in the chart under Docket No. RI65-114, Hanley Company (Operator), et al.

GORDON M. GRANT,
Acting Secretary.

[F.R. Doc. 64-8573; Filed, Aug. 24, 1964; 8:45 a.m.]

[Project No. 2482]

NIAGARA MOHAWK POWER CORP.

Notice of Application for License

AUGUST 18, 1964.

Public notice is hereby given that application has been filed under the Federal Power Act (16 U.S.C. 791a-825r) by Niagara Mohawk Power Corporation (correspondence to: Lauman Martin, Vice President and General Counsel, Niagara Mohawk Power Corporation, 300 Erie Boulevard, West, Syracuse 2, New York) for license for constructed Project No. 2482, known as the Hudson River Project, located on the Hudson River in Saratoga, Warren, and Washington Counties, New York.

The Hudson River Project consists of the following six developments:

Spier Falls, situated about 67 miles from Albany, New York: (1) A concrete masonry dam 150 feet high and 1,400 feet long including (2) 818 feet of gated spillway. Crest elevation of spillway 428.8 feet U.S.G.S.; (3) a reservoir with normal pond elevation 436.8 feet; (4) one steel penstock, one concrete penstock leading to the indoor powerhouse on the right bank containing one 9,000 hp and one 57,000 hp turbine (66,000 hp total) direct connected, respectively, to one 6,800 kw and one 37,600 kw generator; (5) and appurtenant facilities.

Sherman Island, about 63 miles from Albany: (1) A concrete Ambursen dam 75 feet high and 589 feet long; (2) concrete gravity spillway 950 feet long, 52 feet high. Crest elevation of spillway 349.6 feet; (3) a reservoir with normal pool elevation (at top of flashboards) 353.3 feet U.S.G.S.; (4) 3,100 feet of concrete lined headrace canal on left bank leading to a forebay, intake, and concrete penstocks; (5) indoor powerhouse containing four identical vertical Francis turbines, of 10,000 hp design capacity each (40,000 hp total), each connected directly to a 7,200 kw generator (28,800 kw total); (7) and appurtenances.

South Glens Falls, about 54 miles from Albany: (1) A multiple-arch dam 10 feet high owned jointly with Finch Pruyn and Company, 330 feet of which is owned by applicant. Crest of dam at elevation 264.1 feet. Earth dike and concrete end wall; (2) a reservoir with normal pool at elevation 269.1 (at top of flashboards); (3) 137 feet of concrete head gate structure; (4) two steel penstocks 12 feet in diameter and 91 feet long; (5) a powerhouse containing two horizontal Francis turbines, one of 2,800 hp and one of 2,100 hp design capacity (4,900 hp total), connected, respectively to a 2,000 kw and a 1,800 kw generator (3,800 kw total); and appurtenant facilities.

Moreau, about 51 miles from Albany: (1) A concrete gravity dam 770 feet long, 23 feet high. Crest of dam at elevation 203.1 feet; (2) a reservoir with normal pool at elevation 207.0 feet (at top of flashboards); (3) 115 feet of concrete gate structure and about 900 feet of open canal leading to two 12′ 6″ diameter steel penstocks 79 feet long; (4) an indoor powerhouse containing two horizontal Francis turbines, one of 3,400 hp and one of 6,800 hp design capacity (10,200 hp total), connected respectively, to a 2,800 kw and a 2,000 kw generator (4,800 kw total); (5) and appurtenant facilities.

Bakers Falls, same dam as Moreau: (1) A canal 570 feet long at the upper end of which is a canal intake with throttling gates to maintain an elevation in the canal of about 199 feet U.S.G.S.; (2) three steel penstocks 8 feet in diameter and 39 feet long leading to (3) a powerhouse containing three horizontal Francis turbines each rated 1,200 hp (3,600 hp total), each connected directly to a 750 kw generator (2,250 kw total); (4) and appurtenant facilities.

Fort Edward, about 49 miles from Albany: (1) A timber crib gravity dam 586 feet long, 35 feet high; (2) a concrete gravity uncontrolled spillway 147 feet long, 10 feet high, crest elevation 142.5 feet; (3) a reservoir with normal pool elevation 142.6 feet (at top of flashboards on timber crib dam); (4) a forebay adjacent to dam on the left bank; (5) intake and closed flume integral with (6) powerhouse containing three vertical shaft turbines of 1,340 hp design capacity each (4,020 hp total), two generators rated 925 kw each and one generator rated 1,000 kw (2,850 kw total); (7) and appurtenant facilities. Total project installed capacity 86,900 kw.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington, D.C., 20426, in accordance with the rules of practice and procedure of the Commission (18 CFR 1.8 or 1.10). The last day upon which protests or petitions may be filed is October 5, 1964. The application is on file with the Commission for public inspection.

JOSEPH H. GUTRIDE,
Secretary.

[F.R. Doc. 64-8574; Filed, Aug. 24, 1964; 8:45 a.m.]

[Docket Nos. G-4079, etc.]

SHELL OIL CO. ET AL.

Notice of Applications for Certificates, Abandonment of Service and Petitions To Amend Certificates [1]

AUGUST 18, 1964.

Take notice that each of the Applicants listed herein has filed an application or petition pursuant to section 7 of the Natural Gas Act for authorization to sell natural gas in interstate commerce or to abandon service heretofore authorized as described herein, all as more fully described in the respective applications and amendments which are on file with the Commission and open to public inspection.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington, D.C., 20426, in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) on or before September 8, 1964.

Take further notice that, pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act and the Commission's rules of practice and procedure, a hearing will be held without further notice before the Commission on all applications in which no protest or notice to intervene is filed within the time required herein, if the Commission on its own review of the matter believes that a grant of the certificates is required by the public convenience and necessity. Where a protest or petition for leave to intervene is timely filed, or where the Commission on its own motion believes that a formal hearing is required, further notice of such hearing will be duly given.

Under the procedure herein provided for, unless otherwise advised, it will be unnecessary for Applicants to appear or be represented at the hearing.

JOSEPH H. GUTRIDE,
Secretary.

[1] This notice does not provide for consolidation for hearing of the several matters covered herein, nor should it be so construed.

Docket No. and date filed	Applicant	Purchaser, field and location	Price per Mcf	Pressure base
G-4079 E 8-12-64	Shell Oil Co. (successor to Ted Weiner, et al.).	United Fuel Gas Co., Orange Grove Field, Terrebonne Parish, La.	17.5	15.025
G-6311 7-27-64 [1]	Amerada Petroleum Corp. (Operator), et al.	Northern Natural Gas Co., Monument Field, Lea County, N. Mex.	12.0212	15.025
G-7207 D 8-12-64	Standard Oil Co. of Texas, a Division of California Oil Co. (partial abandonment).	El Paso Natural Gas Co., acreage in Lea County, N. Mex.	(2)	
CI61-658 C 8-12-64	A. M. Snider, et al. d/b/a Hundred Gas Co.	Hope Natural Gas Co., Meade District, Marshall County, W. Va.	25.0	15.325
CI62-984 C 8-7-64	The British-American Oil Producing Co.	Lone Star Gas Co., Doyle Field, Stephens County, Okla.	15.0	14.65
CI63-148 D 7-27-64	The Pure Oil Co	Michigan Wisconsin Pipe Line Co., acreage in Woodward County, Okla.	(3)	
CI63-951 C 8-12-64	Young and Hildreth, et al	Hope Natural Gas Co., Spencer District, Roane County, W. Va.	25.0	15.325
CI64-733 C 8-14-64	Joseph H. Hager d/b/a Little Swiss Oil & Gas Properties.	Hope Natural Gas Co., Union District, Ritchie County, W. Va.	25.0	15.325
CI64-887 C 8-12-64	Petroleum Resources, Inc., et al.	Hope Natural Gas Co., Glenville District, Gilmer County, W. Va.	25.0	15.325
CI64-1355 C 8-7-64	D. A. Dorward, et al	do	25.0	15.325
CI64-1427 C 8-10-64	Anadarko Production Co	Panhandle Eastern Pipe Line Co., Carthage Gas Field Area, Texas County, Okla., and Morton.	16.0	14.65
CI65-116 A 8-7-64	Sun Oil Co. (Southwest Division).	El Paso Natural Gas Co., East Panhandle Field, Wheeler County, Tex.	13.0	14.65
CI65-117 B 8-6-64	Penn-Ohio Gas Co	Hope Natural Gas Co., Union District, Harrison County, W. Va.	Uneconomical	
CI65-118 B 8-6-64	Skinner Corp. (Operator), et al.	Tennessee Gas Transmission Co., East Placedo Field, Victoria County, Tex.	Depleted	
CI65-119 A 8-6-64	Toney Gas Co	United Fuel Gas Co., acreage in Lincoln County, W. Va.	25.0	15.325
CI65-120 A 8-7-64	Pacific States Gas and Oil Co.	Equitable Gas Co., Glenville District, Gilmer County, W. Va.	25.0	15.325
CI65-121 A 8-10-64	Sohio Petroleum Co	Cities Service Gas Co., Northeast Waynoka Field, Woods County, Okla.	[4] 13.0	14.65
CI65-122 A 8-10-64	Pan American Petroleum Corp.	Michigan Wisconsin Pipe Line Co., Quinlan Field, Woodward County, Okla.	[5] 21.545	14.65
CI65-123 A 8-10-64	Ashland Oil & Refining Co	Kansas-Nebraska Natural Gas Co., Inc., acreage in Beaver County, Okla.[6]	[7] 17.0	14.65
CI65-124 A 8-10-64	Amerada Petroleum Corp	Cities Service Gas Co., North Waynoka Field, Woods County, Okla.	[8] 13.0	14.65
CI65-125 A 8-10-64	Sohio Petroleum Co	Lone Star Gas Co., East Washington Field, McClain County, Okla.	15.0	14.65
CI65-126 A 8-12-64	William Shepard, et al	United Fuel Gas Co., Geary District, Roane County, W. Va.	25.0	15.325
CI65-127 A 8-11-64	Tenneco Oil Co	Tennessee Gas Transmission Co., Vermilion Block 46 Field, Vermilion Parish, La.	19.5	14.65
CI65-128 B 8-11-64	Anadarko Production Co	Panhandle Eastern Pipe Line Co., Eva Area Field, Texas County, Okla.	Depleted	
CI65-129 A 8-12-64	Eason Oil Co	Lone Star Gas Co., Sholem Alechem Field, Carter County, Okla.	15.0	14.65
CI65-130 A 8-12-64	Patrick J. O'Hornett	Cities Service Gas Co., acerage in Beaver County, Okla.	16.0	14.65
CI65-131 A 8-12-64	Oxli Partnership	Oklahoma Natural Gas Gathering Corp., Ringwood Field, Major County, Okla.	[9] 11.0	14.65
CI65-132 B 8-13-64	Entrada Oil & Gas Co	El Paso Natural Gas Co., Bar X Field, Grand County, Utah.	Uneconomical	
CI65-133 B 8-13-64	Resource Ventures Corp	do	Uneconomical	
CI65-134 A 8-13-64	Sunray DX Oil Co	Lone Star Gas Co., Penn-Griffith Field, Rusk County, Tex.	14.49	14.65
CI65-135 A 7-20-64	Williams Brothers Co	El Paso Natural Gas Co., Spraberry Field, Ragan County, Tex.	17.1632	14.65
CI65-136 B 8-14-64	Humble Oil & Refining Co.	Phillips Petroleum Co., Fuhrman-Mascho Field, Andrews County, Tex.	Uneconomical	
CI65-137 B 8-14-64	Raymond Oil Co	Hope Natural Gas Co., Union District, Tyler County, W. Va.	Uneconomical	

[1] Amendment to certificate filed to add depth under acreage.
[2] Well on subject acreage no longer meets contract delivery requirements.
[3] Purchaser deems connection of well uneconomical.
[4] Includes ¾ cents per Mcf for dehydration.
[5] Include price adjustment of 1.0 cent for heating content and 1.045 cents tax reimbursement.
[6] Subject application limited to natural gas produced from below the base of the Wolfcampian Series of the Permian System down to the base of the Mississippian System, and casinghead gas from all depths above the base of the Mississippian System.
[7] Includes 2.0 cents per Mcf for compression.
[8] Includes 0.75 cent per Mcf dehydration charge.
[9] Plus percentage value as to liquid products.

Filing Code:
A—Initial service.
B—Abandonment.
C—Amendment to add acreage.
D—Amendment to delete acreage.
E—Succession.

[F.R. Doc. 64-8576; Filed, Aug. 24, 1964; 8:45 a.m.]

[Docket No. G-5991, etc.]

TEXAS PACIFIC OIL CO.

Order Amending Orders Issuing Certificates of Public Convenience and Necessity, Redesignating Rate Proceedings, and Redesignating FPC Gas Rate Schedules; Correction

AUGUST 13, 1964.

In the order amending orders issuing certificates of public convenience and necessity, redesignating rate proceedings, and redesignating FPC gas rate schedules, issued July 27, 1964, and published in the FEDERAL REGISTER August 15, 1964 (F.R. Doc. 64-8243; 29 F.R. 1733), make the following corrections in the appendix: Add Docket No. "CI62-1251" under former designation "Joseph E. Seagram & Sons, Inc. d.b.a. Frankfort Oil Company". After FPC Gas Rate Schedule No. 7 correct Docket No. "CI61-1411" to read "CI61-1412".

GORDON M. GRANT,
Acting Secretary.

[F.R. Doc. 64-8575; Filed, Aug. 24, 1964; 8:45 a.m.]

[Docket No. RI65-38, etc.]

SINCLAIR OIL & GAS CO.

Order Providing for Hearings on and Suspension of Proposed Changes in Rates; Correction

AUGUST 13, 1964.

In the order providing for hearings on and suspension of proposed changes in rates, issued July 29, 1964, and published in the FEDERAL REGISTER August 12, 1964 (F.R. Doc. 64-7984; 29 F.R. 1542-11546), line 8 of the third paragraph, counting from the bottom of page 11546 in the first column, correct the phrase "in excess of" to read "of at least".

GORDON M. GRANT,
Acting Secretary.

[F.R. Doc. 64-8577; Filed, Aug. 24, 1964; 8:45 a.m.]

SECURITIES AND EXCHANGE COMMISSION

[File No. 812-1709]

BUSINESS FUNDS, INC.

Notice of Filing of Application for an Order Exempting Proposed Transaction

AUGUST 19, 1964.

Notice is hereby given that an application pursuant to section 17(b) of the Investment Company Act of 1940 ("Act") has been filed by Business Funds, Inc. ("applicant"), 824 Bettes Building, Houston, Texas, a closed-end, non-diversified investment company registered under the Act and a licensee under the Small Business Investment Act of 1958, as amended, requesting that the transaction summarized below be exempted from the provisions of section 17(a) of the Act. All interested persons are referred to the application on file with the Commission for a full statement of applicant's representations.

Applicant owns a promissory note in the principal amount of $787,000 issued on December 30, 1963 by Arizona City Development Corporation ("Arizona City") and endorsed and guaranteed by Arizona Valley Development Co., Inc. ("Arizona Valley") which owns all of the capital stock of Arizona City. The note bears interest prior to maturity at the rate of 6½ percent per annum and is payable in sixty (60) monthly installments, the first 59 of such installments being in the amount of $13,000 each, including interest, and the remaining installment being in the amount of the principal balance plus accrued interest. After maturity the note bears interest at the rate of 8 percent per annum.

J. A. McRae is the owner of 254,192 shares (57.6 percent) of the common stock of Arizona Valley and of warrants with respect to the purchase of an additional 52,500 shares of such common stock. The warrants, which expire December 14, 1966, have an exercise price of $1.96 per share and contain anti-dilution provisions. Applicant has entered into an agreement with McRae to transfer to him an interest in the Arizona City note in exchange for the stock and warrants of Arizona Valley which he holds, and proposes to deliver to McRae a Certificate of Participation evidencing the ownership by McRae of an undivided $527,637 participating interest in the Arizona City note. The Certificate of Participation will provide, among other things, that all payments of principal and proceeds of foreclosure of liens securing said note shall be first paid to the holder of such Certificate of Participation until the holder thereof has received its $527,637 participation (including interest); and that interest payable under said note shall be divided between applicant and the holder of the certificate in proportion to beneficial ownership. At the closing of the transaction between applicant and McRae, First National Bank in Dallas ("Bank") will acquire from McRae the Certificate of Participation by the payment in cash to McRae of $508,384.

The application states that there is no active and substantial market in the Arizona Valley stock, that the transactions which occur from time to time in this stock are not sufficiently numerous or continuous to provide a reliable market. The book value of the stock at December 31, 1963 amounted to approximately $2.50 per share, total net income for 1963 of $163,966 amounted to about $0.37 per share on the 441,558 shares outstanding at December 31, 1963 and net income of $121,063 in 1962 amounted to $0.23 per share on the 524,025 shares outstanding at December 31, 1962. If the participation which applicant is giving in exchange for the McRae stock and warrants is valued at the price of $508,384 at which such participation is to be purchased by Bank, and if no value is assigned to the warrants, applicant would acquire the stock in the exchange at $2.00 per share, which is less than its book value and is aproximately 5.4 times earnings in 1963.

Applicant represents that it is receiving full and fair value in connection with the exchange. It further represents that because of applicant's substantial investment in Arizona City and Arizona Valley, represented by the note referred to above, any transfer of ownership by McRae of his stock and warrants is of substantial concern to it; that McRae has repeatedly expressed his desire to dispose of his interest in Arizona Valley; and that in the event such interest should fall into the hands of a purchaser unacceptable to applicant, the investment it has in Arizona City and Arizona Valley would be substantially endangered.

The price to be paid by Bank for the Certificate of Participation was established after substantial negotiation at a price which will net to Bank an 8 percent return on its investment. Applicant has negotiated with others in regard to the purchase of the Certificate of Participation but has not been able to locate another purchaser.

McRae is not an affiliated person of applicant nor an affiliated person of an affiliated person of applicant. Except to the extent indicated below, neither Bank nor any affiliated person of Bank, is an affiliated person of applicant and no officer, director or employee of applicant is an officer, director or employee of Bank. Applicant owns 5.8 percent of the capital stock of Hallmark Electronics Corporation ("Hallmark") and First Dallas Capital Corporation ("First Dallas"), which is wholly-owned by Bank, owns about 13 percent of the capital stock of Hallmark. First Dallas is therefore an affiliated person of Hallmark and the latter is an affiliated person of applicant under the provisions of section 2(a)(3) of the Act.

Applicant represents that it is not aware of the ownership by any director or officer of applicant of as much as 5 percent of the stock of Bank but that the stock of Bank is widely held and that it would be difficult (if not impossible) for applicant to determine whether any affiliated person of applicant (or any affiliated person of any such person) has any financial interest in Bank.

Section 17(a) of the Act, as here pertinent, prohibits an affiliated person of a registered investment company, or an affiliated person of such person, from selling to or purchasing from such registered company or any company controlled by such company, securities or property, unless the Commission upon application pursuant to section 17(b) grants an exemption from section 17(a) upon a finding that the terms of the proposed transaction, including the consideration to be paid, are reasonable and fair and do not involve overreaching on the part of any person concerned, that the proposed transaction is consistent with the policy of each registered investment company concerned, as recited in its registration statement and reports filed under the Act, and is consistent with the general purposes of the Act. Applicant does not admit the applicability of section 17(a) to the proposed transaction, but has filed the instant application to eliminate any question with regard thereto.

Notice is further given that any interested person may, not later than September 8, 1964, at 5:30 p.m., submit to the Commission in writing a request for a hearing on the matter accompanied by a statement as to the nature of his interest, the reason for such request and the issues of fact or law proposed to be controverted, or he may request that he be notified if the Commission shall order a hearing thereon. Any such communication should be addressed: Secretary, Securities and Exchange Commission, Washington, D.C., 20549. A copy of such request shall be served personally or by mail (air mail if the person being served is located more than 500 miles from the point of mailing) upon applicant at the address set forth above. Proof of such service (by affidavit or in case of an attorney-at-law by certificate) shall be filed contemporaneously with the request. At any time after said date, as provided by Rule 0-5 of the rules and regulations promulgated under the Act, an order disposing of the application herein may be issued by the Commission upon the basis of the showing contained in said application, unless an order for hearing upon said application shall be issued upon request or upon the Commission's own motion.

It is ordered, That the Secretary of the Commission shall send a copy of this notice by registered mail to the Director, Office of Investment Assistance, Small Business Administration, Washington, D.C., 20416.

For the Commission (pursuant to delegated authority).

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F.R. Doc. 64-8568; Filed, Aug. 24, 1964; 8:45 a.m.]

[File No. 1-3421]

CONTINENTAL VENDING MACHINE CORP.

Order Summarily Suspending Trading

AUGUST 19, 1964.

The common stock, 10 cents par value, of Continental Vending Machine Corp., being listed and registered on the American Stock Exchange and having unlisted trading privileges on the Philadelphia-Baltimore-Washington Stock Exchange, and the 6 percent convertible subordinated debentures due September 1, 1976 being listed and registered on the American Stock Exchange; and

The Commission being of the opinion that the public interest requires the summary suspension of trading in such securities on such Exchanges and that such action is necessary and appropriate for the protection of investors; and

The Commission being of the opinion further that such suspension is necessary in order to prevent fraudulent, deceptive or manipulative acts or practices, with the result that it will be unlawful under section 15(c)(2) of the Securities Exchange Act of 1934 and the Commission's Rule 15c2-2 thereunder for any broker or dealer to make use of the mails or of any means or instrumentality of interstate commerce to effect any transaction in, or to induce or attempt to induce the purchase or sale of any such security, otherwise than on a national securities exchange;

It is ordered, Pursuant to section 19(a)(4) of the Securities Exchange Act of 1934, that trading in such securities on the American Stock Exchange and the Philadelphia-Baltimore-Washington Stock Exchange be summarily suspended in order to prevent fraudulent, deceptive or manipulative acts or practices, this order to be effective for the period August 20, 1964, through August 29, 1964, both dates inclusive.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F.R. Doc. 64-8569; Filed, Aug. 24, 1964; 8:45 a.m.]

[File No. 1-4722]

TASTEE FREEZ INDUSTRIES, INC.

Order Summarily Suspending Trading

AUGUST 19, 1964.

The common stock, 67 cents par value, of Tastee Freez Industries, Inc., being listed and registered on the American Stock Exchange; and

The Commission being of the opinion that the public interest requires the summary suspension of trading in such security on such Exchange and that such action is necessary and appropriate for the protection of investors; and

The Commission being of the opinion further that such suspension is necessary in order to prevent fraudulent, deceptive or manipulative acts or practices, with the result that it will be unlawful under section 15(c)(2) of the Securities Exchange Act of 1934 and the Commission's Rule 15c2-2 thereunder for any broker or dealer to make use of the mails or of any means or instrumentality of interstate commerce to effect any transaction in, or to induce or attempt to induce the purchase or sale of any such security, otherwise than on a national securities exchange;

It is ordered, Pursuant to section 19(a)(4) of the Securities Exchange Act of 1934, that trading in such security on the American Stock Exchange be summarily suspended in order to prevent fraudulent, deceptive or manipulative acts or practices, this order to be effective for the period August 20, 1964, through August 29, 1964, both dates inclusive.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F.R. Doc. 64-8570; Filed, Aug. 24, 1964; 8:45 a.m.]

INTERSTATE COMMERCE COMMISSION

FOURTH SECTION APPLICATIONS FOR RELIEF

AUGUST 20, 1964.

Protests to the granting of an application must be prepared in accordance with Rule 1.40 of the general rules of practice (49 CFR 1.40) and filed within 15 days from the date of publication of this notice in the FEDERAL REGISTER.

LONG-AND-SHORT HAUL

FSA No. 39209: *T.O.F.C. rates from and to points in Florida.* Filed by Western Trunk Line Committee, agent (No. A-2369), for interested rail carriers. Rates on property moving on class and commodity rates, loaded in or on trailers and transported on railroad flatcars, between points in Florida, on the one hand, and points in western trunkline territory, on the other.

Grounds for relief: Motortruck competition, short-line distance formula and grouping.

Tariff: Supplement 12 to Western Trunk Line Committee, agent, tariff I.C.C. A-4522.

FSA No. 39210: *Substituted service—CRI&P for Strickland.* Filed by J. D. Hughett, agent (No. 56), for interested carriers. Rates on property loaded in highway trailers and transported on railroad flatcars, between Dallas, Tex., and Houston, Tex., on traffic originating at or destined to such points or points beyond as described in the application.

Grounds for relief: Motortruck competition.

Tariff: Supplement 6 to J. D. Hughett, agent, tariff MF-I.C.C. 375.

FSA No. 39211: *Substituted service—T&P and Red Ball.* Filed by J. D. Hughett, agent (No. 57), for interested carriers. Rates on property loaded in highway trailers and transported on railroad flatcars, between Dallas, Tex., and New Orleans, La., on traffic originating at or destined to such points or points beyond as described in the application.

Grounds for relief: Motortruck competition.

Tariff: Supplement 6 to J. D. Hughett, agent, tariff MF-I.C.C. 375.

By the Commission.

[SEAL] HAROLD D. MCCOY, *Secretary.*

[F.R. Doc. 64-8587; Filed, Aug. 24, 1964; 8:47 a.m.]

[Notice 1033]

MOTOR CARRIER TRANSFER PROCEEDINGS

AUGUST 20, 1964.

Synopses of orders entered pursuant to section 212(b) of the Interstate Commerce Act, and rules and regulations prescribed thereunder (49 CFR Part 179), appear below:

As provided in the Commission's special rules of practice any interested person may file a petition seeking reconsideration of the following numbered proceedings within 20 days from the date of publication of this notice. Pursuant to section 17(8) of the Interstate Commerce Act, the filing of such a petition will postpone the effective date of the order in that proceeding pending its disposition. The matters relied upon by petitioners must be specified in their petitions with particularity.

No. MC-FC 66781. By order of August 18, 1964, the Transfer Board approved the transfer of Imlach Movers, Inc., Lincoln Park, Mich., of Certificate in No. MC 20968 and MC 20968 Sub 2, issued April 25, 1950, and August 15, 1950, respectively, to Charles Imlach, doing business as Imlach Movers, Lincoln Park, Mich., authorizing the transportation of: Household goods, between Rock Island, Ill., and points within 25 miles thereof, on the one hand, and on the other, points in Illinois, Indiana, Ohio, Pennsylvania, New Jersey, New York, Nebraska, Kansas, Missouri, Kentucky, Tennessee, Minnesota, Iowa, and the District of Columbia; between Detroit, Mich., and points within 3 miles of Detroit, on the one hand, and, on the other, points in Wisconsin, Illinois, Indiana, Ohio, West Virginia, Pennsylvania, New York, Connecticut, and Massachusetts; and between points in New York, Massachusetts, New Jersey, Delaware, Maryland, Pennsylvania, Virginia, West Virginia, Ohio, Indiana, Illinois, Iowa, Michigan, Wisconsin, and the District of Columbia; and mangles and washing machines, and parts and accessories, from Newton, Iowa, to Rock Island, Ill., and points within 10 miles thereof. Frederick C. Kurth, 13421 Veronica Avenue, Southgate, Mich., 48195, attorney for applicants.

No. MC-FC 66810. By order of August 18, 1964, the Transfer Board approved the transfer to Nu-Way Trucking, Inc., Kirkwood, Mo., of Permit in No. MC 117373, issued January 6, 1959, to Phillip N. Engle, doing business as Nu-Way Trucking, Kirkwood, Mo., authorizing the transportation of: Ice cream and salad dressings, from University City, Mo., to Bloomington, Ill., chili, ground meat, and fountain syrups, from Bloomington, Ill., to University City, Mo., and equipment and supplies used in restaurants, between University City, Mo., and Bloomington, Ill., limited to continuing contracts with Steak 'N Shake, Inc., at Bloomington. Albert J. Haller, 7751 Carondelet Avenue, Clayton, Mo., attorney for applicants.

No. MC-FC 66939. By order entered August 18, 1964, the Transfer Board approved the transfer to Anderson Development Corporation, a corporation, Albuquerque, N. Mex., of the operating rights in Certificate No. MC 120312 Sub 2, issued July 24, 1961, and the Certificate of Registration in No. MC 120312 Sub 5, issued February 26, 1964, to Anderson Brothers Corporation, a corporation, Albuquerque, N. Mex., authorizing the transportation, over irregular routes, of: Certain specified commodities, in bulk, in dump trucks, and commodities of a general commodity nature, between points in New Mexico. R. Russell Rager, P.O. Box 1031, Albuquerque, N. Mex., attorney for applicants.

No. MC-FC 67087. By order of August 18, 1964, the Transfer Board approved the transfer to Bob Utgard, doing business as Utgard Trucking, Star Prairie, Wis., of the operating rights in Certificate in No. MC 113817, issued August 8, 1956, to Leonard C. Markham, Oronoco, Minn., authorizing the transportation, over irregular routes, of animal and poultry feed, from New Richmond, Wis., to Oronoco, Minn., and points within 10 miles thereof, and Viola, Minn., and points within 15 miles thereof. A. R. Fowler, 2288 University Avenue, St. Paul, Minn., representative for applicants.

No. MC-FC 67137. By order of August 18, 1964, the Transfer Board approved the transfer to John William Roe, doing business as Roe's Trucking Company, 1807 East Olympic Boulevard, Los Angeles 21, Calif., of the operating rights in Certificate No. MC 65115, issued August 23, 1963, to William G. Bradley, doing business as D-28 Express, Montebello, Calif., authorizing the transportation, over irregular routes, of agricultural commodities, from points in Los Angeles and Orange Counties, Calif., to Los Angeles Harbor, Calif.; commercial fertilizer, from Los Angeles Harbor, Calif., to points in Los Angeles and Riverside Counties, Calif.; general commodities, excluding household goods, commodities in bulk, and other specified commodities, between Los Angeles, Calif., and Los Angeles Harbor, Calif.; and bananas, from points in the Los Angeles, Calif., harbor commercial zone to Colton and San Diego, Calif.

[SEAL] HAROLD D. MCCOY, *Secretary.*

[F.R. Doc. 64-8588; Filed, Aug. 24, 1964; 8:47 a.m.]

Title 2—THE CONGRESS

ACTS APPROVED BY THE PRESIDENT

EDITORIAL NOTE: During the current recess of Congress a listing of public laws approved by the President will appear in the FEDERAL REGISTER under Title 2—The Congress.

Approved August 21, 1964

H.R. 988 — Public Law 88-477

To authorize the Sec. of the Int. to acquire the Graff House site for inclusion in Independence National Historical Park, and for other purposes.

H.R. 5044 — Public Law 88-473

To amend the Act entitled "An Act to provide for a mutual-aid plan for fire protection by and for the District of Columbia and certain adjacent communities in Maryland and Virginia, etc."

H.R. 5337 — Public Law 88-472

To increase the partial pay of educational employees of the public schools of D.C. who are on leave of absence for educational improvement, etc.

H.R. 9975 — Public Law 88-470

To exempt from taxation certain property of the National Trust for Historic Preservation in the U.S. in the District of Columbia.

H.R. 9995 — Public Law 88-476

To amend the Policemen and Firemen's Retirement and Disability Act to allow credit to certain members of the U.S. Secret Service Division for periods of prior police service.

H.R. 10215 — Public Law 88-471

Relating to the sick leave benefits for the Metropolitan Police force of D.C., the Fire Department of D.C., the U.S. Park Police force, and the White House Police force.

H.R. 10672 — Public Law 88-474

To provide for the disposition of judgment funds on deposit to the credit of the Pawnee Tribe of Oklahoma.

H.R. 11222 — Public Law 88-475

To amend the Horizontal Property Act of D.C. to permit a condominium unit to be located on more than one floor of a building, etc.

Approved August 22, 1964

S. 927 — Public Law 88-478

To amend title 12 of the Merchant Marine Act, 1936, order to remove certain limitations with respect to war risk insurance issued under the provisions of such title.

S. 1046 — Public Law 88-481

To provide hospital, domiciliary, and medical care for non-service-connected disabilities to recipients of the Medal of Honor.

H.J. Res. 1160 — Public Law 88-488

Making continuing appropriations for the fiscal year, 1965, etc.

H.R. 1839 — Public Law 88-482

To provide for the free importation of certain wild animals, and to provide for the imposition of quotas on certain meat and meat products.

H.R. 1988 — Public Law 88-485

To provide for the settlement of claims of certain residents of the Trust Territory of the Pacific Islands.

H.R. 3198 — Public Law 88-487

To promote the economic and social development of the Trust Territory of the Pacific Islands, etc.

H.R. 7301 — Public Law 88-484

To amend section 341 of the Internal Revenue Code of 1954, relating to collapsible corporations, and to amend section 543(a)(2) of such Code, relating to the inclusion of rents in personal holding company income.

H.R. 7441 — Public Law 88-486

To amend the Act entitled "An Act to authorize the Commissioners of the District of Columbia to remove dangerous or unsafe buildings and parts thereof, etc.", approved March 1, 1899, as amended.

H.R. 9653 — Public Law 88-480

To extend the authority of the Postmaster General to enter into leases of real property for periods not exceeding thirty years, etc.

H.R. 10199 — Public Law 88-479

District of Columbia Appropriation Act, 1965.

H.R. 11052 — Public Law 88-483

To declare that the eighty acres of land acquired for the Flandreau Boarding School is held by the U.S. in trust for the Flandreau Santee Sioux Tribe.

CUMULATIVE CODIFICATION GUIDE—AUGUST

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